

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

NOTICE OF MARKET-DOMINANT  
PRICE ADJUSTMENT

Docket No. R2015-4

**RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO ORDER NO. 2398**  
(April 16, 2015)

The United States Postal Service hereby provides its response to Order No. 2398, which was issued on March 18, 2015. In that Order, the Commission remanded the amended rates for Standard Mail, Periodicals, and Package Services,<sup>1</sup> because the Commission concluded that they did not comply with certain statutory and regulatory requirements.<sup>2</sup> The Commission further concluded that the Postal Service's amended rates did not comply with Order No. 2378, in which the Commission remanded the rates originally proposed for Standard Mail, Periodicals, and Package Services.<sup>3</sup> To address the Commission's findings, the Commission provided specific instructions concerning the additional information, price revisions, and source data that the Postal Service needed to provide to the Commission in a second amended notice of price adjustment.<sup>4</sup> As discussed in more detail below, the Postal Service has complied with each of the Commission's directives and recommendations.

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<sup>1</sup> The originally proposed CPI prices for Standard Mail, Periodicals, and Package Services are identified in Attachment A (Part I) to the *United States Postal Service Notice of Market Dominant Price Adjustment*, filed on January 15, 2015.

<sup>2</sup> Order No. 2398: Order on Amended Price Adjustments for Standard Mail, Periodicals, and Package Services Products (*hereinafter* "Order 2398"), PRC Docket No. R2015-4 (March 18, 2015), at 2.

<sup>3</sup> Order No. 2378: Order On Price Adjustments for Standard Mail, Periodicals, and Package Services Products (*hereinafter* "Order 2378"), PRC Docket No. R2015-4 (March 6, 2015), at 2.

<sup>4</sup> Order No. 2398, at 3-5, 6-7, and 9-13.

Attached to this pleading the Postal Service has provided: 1) updated Mail Classification Schedule (“MCS”) pages with revised Standard Mail and Periodicals prices;<sup>5</sup> 2) updated workshare discount tables;<sup>6</sup> and 3) updated exigent surcharges affected by various rate proposals in this docket.<sup>7</sup> The Postal Service is also filing revised price cap calculation workpapers (with explanatory prefaces), and other supporting materials requested by the Commission, concurrently with this pleading. This will include two sets of Package Services workpapers. One set contains the adjustment methodology proposed by the Postal Service, which we believe to be the most reasonable and reliable approach to determining the price cap implications of the Package Services price changes authorized by the Governors. The second set of Package Services workpapers presents an alternative methodology that, while potentially adoptable, demonstrates that the use of FY 2014 Quarter 4 FSS volume data produces irregular results that cannot be representative of the actual distribution of Carrier Route and Presort FSS BPM Flats in FY 2014. The materials are designated as:

USPS-LR-R2015-4/10	Standard Mail Workpapers (Remand 2)
USPS-LR-R2015-4/11	Periodicals Workpapers (Remand 2)
USPS-LR-R2015-4/12	Package Services Workpapers (Remand 2)

The remainder of this pleading is structured as follows. In Part I, the Postal Service outlines the Commission’s directives related to Standard Mail and discusses how it has complied with each request. Similarly, in Part II, the Postal Service outlines the Commission’s directives

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<sup>5</sup> Attachment A. Revised pages from Attachment A (Part I) to the *United States Postal Service Notice of Market Dominant Price Adjustment*, filed on January 15, 2015, and updated on February 4 and 6, and March 12 (Response to Order No. 2378) are filed with this pleading. The Postal Service is also filing revised pages from Attachment A (Part II) to inform the Commission and the public about the revised prices including the Exigent surcharge, including some corrections that apply only to the Exigent prices. Updated MCS language for Package Services is not being submitted, as price changes are not required in order to comply with the Commission’s requests in Order No. 2398.

<sup>6</sup> Attachment B.

<sup>7</sup> Attachment C.

related to Periodicals and discusses how it has complied with each request. Finally, in Part III, the Postal Service discusses the Commission's directives related to Package Services, provides the requested explanations and supplemental information, and discusses the two options presented in the Postal Service's two sets of revised workpapers.

The Postal Service hereby also provides notice that the Governors have authorized the Postal Service to adjust the prices for its market-dominant products effective May 31, 2015. This adjustment includes the prices previously approved by the Commission in Order Nos. 2365 and 2388 for First-Class Mail and Special Services, as well as the proposed prices for Standard Mail, Periodicals, and Package Services, including the changes presented in this response to Order No. 2398, and the other prices presented previously in this docket. The only exception relates to the Earned Value Reply Mail promotion, which will start as scheduled on May 1, 2015.<sup>8</sup>

## **I. Standard Mail**

In its Order, the Commission raised two issues related to Standard Mail that must be remedied by the Postal Service. First, the Commission directed the Postal Service to equalize two sets of nonprofit and commercial presort discounts for High Density Letters and Flats.<sup>9</sup> Second, the Commission ordered the Postal Service to provide the calculations used to develop the exigent surcharges for each new Standard Mail FSS price category provided in response to Order No. 2378.<sup>10</sup> Any resulting changes to the Exigent prices surcharges must be provided to the Commission in revisions to the Exigent price version of the MCS (Attachment A, Part II).

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<sup>8</sup> The Advanced and Emerging Technology promotion is being delayed a month, so that it runs from June 1 to November 30, 2015. See Attachment A. All other promotions that were previously approved, or may be approved along with the Standard Mail prices, will begin on the dates that were originally proposed, all of which are after May 31, 2015.

<sup>9</sup> Order No. 2398, at 4.

<sup>10</sup> *Id.* at 4.

As demonstrated in the materials submitted in USPS-LR-R2015-4/10, and in Attachments A, B, and C, the Postal Service has provided a set of revised prices that address the Commission's first directive. In particular, the Postal Service has elected to equalize the Nonprofit and Commercial discounts specified by the Commission.<sup>11</sup> Correcting two prices to fix the specified discounts affected the alignment of other discounts. The Postal Service therefore corrected 45 prices in order to bring all the related Nonprofit/Commercial discounts back into alignment.

The Postal Service moreover identified other discount relationships that were out of alignment in the prices filed on March 12, 2015, related to equalizing the piece-rated piece presort discounts with the pound-rated piece discounts, and the dropship discounts (within each product) for the same level of destination entry. For example, adjustments were made to seven price cells in Commercial Automation and Nonautomation Letters to insure that the barcode discounts were even for each entry point. Changing these seven Commercial cells also required changing seven Nonprofit cells to keep the Nonprofit discounts equal to Commercial discounts.

Adjustments were also made to 11 price cells for Nonprofit Nonmachinable Letters to align the discounts between machinable and non-machinable non-automated letters with Commercial prices. Adjustments were made to 38 Nonprofit Nonautomation Flats price cells to make the commercial barcode discounts the same as nonprofit barcode discounts for the flats.

Price adjustments also were made to three pound price cells for Commercial Saturation Flats to make all Commercial pound prices equal for each entry point for Commercial High Density, High Density Plus, and Saturation Flats. In addition to these changes, adjustments were made to Commercial and Nonprofit High Density Plus Flats piece-rated and pound-rated piece prices, to even out the changes for these prices.

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<sup>11</sup> The files supporting these revisions have been provided as part of USPS-LR-R2015-4/10.

Finally, adjustments were made to Carrier Route prices so that equalizing the Nonprofit and Commercial discounts would not increase any workshare discount passthroughs that were already above 100 percent any higher when compared to the passthroughs shown in the response to the first remand Order.<sup>12</sup> No passthrough that was previously under 100 percent was allowed to exceed 100 percent in the revised prices. For each workshare passthrough that remains above 100 percent in the revised prices, the Postal Service relies on the same statutory exceptions it has previously put forward during this proceeding. The Postal Service also notes that these discounts were recently determined either to be in compliance with the statutory workshare requirements, or, if out of compliance, ordered to be brought into compliance in the next rate case after this docket. Annual Compliance Determination at 17-26 (March 27, 2015).

The Postal Service has made all of the changes required by the Commission in its two remand orders, and many of the changes recommended by the Commission. Certain piece-rated and pound-rated piece discounts, such as in High Density Plus flats, remain unaligned due to efforts to have consistent price increases throughout all of the High Density price cells. While the entry points discounts generally have been aligned for letters, flats, and parcels, there are some exceptions. However, the Postal Service believes it has made all of the changes it was *required* to make in the remand, and has therefore fulfilled the remand requirements.

Fixing these other discounts (beyond the two identified by the Commission), and making conforming changes, resulted in an additional 89 price changes (for a total of 134 Standard Mail price changes in responding to Order No. 2398). The revised prices generate a 1.937 percentage price increase for Standard Mail, nearly identical to the 1.936 percent price increase for the prices submitted in response to Order No. 2378.

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<sup>12</sup> Compare Response to Order No. 2378, Attachment B (March 12, 2015) with Attachment B to this Response.

The Postal Service also complies with the Commission's second directive, relating to Exigent surcharges and prices. The Postal Service provides the calculations used to develop the Exigent surcharges for each new Standard Mail FSS price category in Attachment C, Part II, filed with this Response. In preparing this Attachment, the Postal Service identified 12 surcharges that were calculated using incorrect volume data, or using incorrect surcharges from Docket No. R2013-11.<sup>13</sup> The Postal Service is adopting the Commission's calculations (with a few minor corrections) in Attachment C, Part II.<sup>14</sup>

These surcharges have been corrected in Attachment C. Attachment A, Part II, shows the conforming revisions in the MCS.<sup>15</sup> 134 Exigent prices are updated to reflect the CPI price changes described above, and an additional 12 Exigent prices are corrected to reflect the corrected Exigent surcharge calculations in Attachment C.

Finally, beyond the price revisions necessary to comply with the Commission's directives, the Postal Service is also including one additional change to Standard Mail prices

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<sup>13</sup> In responding to Order No. 2378, the Postal Service miscalculated a few surcharges because of copying errors for some volume figures, and pulling prices for 5-Digit Flats from the Commission's version of the Docket No. R2013-10 CAPCALC, instead of the corrected version provided by the Postal Service in the Docket No. R2013-10 CAPCALC file provided at the remand stage.

<sup>14</sup> The Postal Service calculations are exactly the same as the Commission's calculations, with the exception of three input numbers for the calculation of the Commercial DFSS Scheme Pallet pound-rated piece cell. In its calculation, the Commission used 0.008 as its exigent surcharge for the 5-Digit origin, DNDC, and DSCF input cells. The Postal Service believes the correct input number should be 0.012 and is using this number. Changing this number does not change the result of the blended surcharge calculation – it is 0.005 whether 0.008 or 0.012 is used for the input.

<sup>15</sup> The Postal Service notes that the combination of new price cells and calculated surcharges results in a few price anomalies for the Exigent prices. There are five instances where a deeper entry point is priced slightly higher than a shallower entry point. For example, the piece price for DNDC Nonprofit Automation flats weighing greater than 3.3 ounces is 3.2 cents while the piece price for Origin Nonprofit Automation Flats weighing more than 3.3 ounces is 3.0 cents. This is because the blended exigent surcharge for DNDC is 0.2 cents higher than the blended Exigent surcharge for Origin (See Attachment C, cells F56 and F57). Similar anomalies were avoided in the initial filing because the blended Exigent surcharges were equal, but that is no longer the case. If the Exigent surcharges are required to be removed, this price anomaly will cease to exist. There are 4 similar examples in FSS Commercial and Nonprofit flats. There are also two examples of Scheme Pallets being more expensive than non-Scheme pallet pound prices at the DFSS entry point. This is because the DFSS non-scheme pallet price cell was created to provide a price in the Standard Mail Postage Statement. But in these cases, the price cells do not have any actual volume. The price for this unused cell was given the same blended surcharge as the non-scheme DSCF cell, and in two cases, the surcharge for Scheme DFSS was higher than non-scheme DSCF enough that the resulting DFSS price became higher than the non-scheme cell. This anomaly will disappear as soon as the Postal Service changes the Postage Statement to function without this unused price cell.

(which was also included in the Response to Order No. 2378). The Postal Service is proposing to change the Forwarding-and-Return Service fees from \$0.43 to \$0.435 for letters, and from \$1.39 to \$1.395 for flats. After the exigent surcharges are applied, the final fees will be \$0.45 and \$1.40 for letters and flats, respectively. This change is necessary to accommodate certain accounting systems that are unable to accept prices calculated to the third decimal place. These changes do not impact the price cap calculation, as there was zero volume for these price cells.

## **II. Periodicals**

In Order No. 2398, with respect to Periodicals, the Commission found that the Postal Service should include “non-FSS prices actually charged for the sacks and pallets that would have been mailed at FSS prices and the new distribution of bundles to the Regular Rate, Nonprofit, and Classroom categories” in the revised price cap calculation for Periodicals.<sup>16</sup> The Commission further required that the Postal Service provide a revised price cap calculation that addresses these deficiencies.<sup>17</sup> To assist the Postal Service with its compliance with this directive, the Commission provided PRC-LR-R2015-4/7, which includes a framework for incorporating the identified data into the Periodicals price cap calculation in compliance with Order No. 2398.<sup>18</sup> The Commission also required that the Postal Service provide a rationale for any proposed price adjustment that does not maximize its price adjustment authority for the Periodicals class.<sup>19</sup>

As shown in the materials submitted as part of USPS-LR-R2015-4/11, and in Attachment A, Part I, to this pleading, the Postal Service has proposed a set of revised Periodicals prices that addresses the Commission’s directives. Specifically, utilizing PRC-LR-R2015-4/7, the Postal

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<sup>16</sup> Order No. 2398 at 6.

<sup>17</sup> *Id.*

<sup>18</sup> *Id.*

<sup>19</sup> *Id.* at 7

Service included (1) the non-FSS prices actually charged for the sacks and pallets that would have been mailed in FY 2014 Q1 and Q2 if FSS prices had been offered; and (2) the new distribution of bundles to the Regular Rate, Nonprofit, and Classroom categories in its price cap calculation for Periodicals. As further shown in USPS-LR-R2015-4/11 (tab Summary), the Postal Service has utilized all available price cap authority for the Periodicals class.

With respect to PRC-LR-R2015-4/7 and USPS-LR-R2015-4/11, it should be noted that the Postal Service made some adjustments to the numbers originally provided by the PRC. While working in PRC-LR-R2015-4/7, the Postal Service identified inconsistencies between data filed by the Postal Service in the FY 2014 ACR docket and the instant docket. The Postal Service determined that there were errors in the FY 2014 domestic market dominant billing determinants regarding the revenue and volume data for Periodicals filed in the ACR docket. As such, the Postal Service filed errata to the FY 2014 domestic market dominant billing determinants in the ACR docket to correct this issue.<sup>20</sup> A number of the cells in PRC-LR-R2015-4/7 relied on the incorrect billing determinants from the FY 2014 ACR docket. As such USPS-LR-R2015-4/11 differs from PRC-LR-R2015-4/7 in that it includes the data from the updated billing determinants. These changes are highlighted in yellow in USPS-LR-R2015-4/11.

Additionally, the Postal Service identified a minor issue in PRC-LR-R2015-4/7 related to cell references in tab “Container Method 2 CL.” Specifically, the Postal Service identified an error in a formula that was repeated in a few cells on the “Container Method 2 CL” tab. The Postal Service corrected this error in USPS-LR-R2015-4/11, and the cells at issue are highlighted in red.<sup>21</sup> Finally, the Postal Service identified two cells that were switched on the “Outside County” tab, and other cells that appeared to be shifted from their correct location on the

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<sup>20</sup> See Notice of the United States Postal Service of Further Revisions to USPS-FY14-4 – Errata, PRC Docket No. ACR2014 (April 15, 2015); *see also* USPS-FY14-4 (revised April 15, 2015).

<sup>21</sup> The preface to USPS-LR-R2015-4/11 further explains the issues identified by the Postal Service.



“Regular Rate CC,” “Nonprofit CC,” “Classroom CC,” and “Outside County” tabs. The Postal Service corrected these errors, and the cells at issue are highlighted in red in USPS-LR-R2015-4/11.<sup>22</sup>

It should also be noted that, upon further evaluation of pricing for the Periodicals class following Order No. 2398, the Postal Service decided to increase the discount provided by the per-piece editorial adjustment for Outside County Periodicals above the discount that was originally proposed. This change is consistent with market dominant price adjustments from previous years, where the Postal Service consistently increased the per-piece editorial discount proportionately with the average increase in Periodicals pricing.

To ensure that the Postal Service utilized its maximum price adjustment authority for the Periodicals class, and in light of the increased per-piece editorial discount above the discount originally proposed, the Postal Service increased the advertising per pound prices for Outside County Periodicals. The revised prices are higher than previously filed by the Postal Service in this docket (both in its initial filing, and in response to the first remand), but lower than the current advertising per pound prices. With these revised prices, the total percentage price increase for Periodicals is 1.966 percent. As such, the Postal Service utilizes all available price cap authority for the Periodicals class.

In addition, the Postal Service is also providing a few corrections to errors it identified in the Exigent prices for Within County Periodicals, which are highlighted in green in Attachment A, Part II. These errors were caused by the inadvertent use of an incorrect surcharge when determining the Exigent prices in the initial filing.

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<sup>22</sup> More information regarding the adjustments made between PRC-LR-R2015-4/7 and USPS-LR-R2015-4/11 can be found in the Preface to USPS-LR-R2015-4/11.

Some mailers have raised, and may continue to raise, concerns regarding the Postal Service's strategy for Periodicals pricing.<sup>23</sup> In response to such concerns, the Postal Service notes that Periodicals revenue has not covered its costs over the last decade. As a result, the Commission has urged the Postal Service to use its pricing flexibility to provide efficient pricing signals and improve cost coverage for the Periodicals class.<sup>24</sup> In the instant docket the Postal Service is taking meaningful steps to encourage more efficient mail preparation, including an increase in the prices for both pallets and bundles to cover their estimated costs. The Postal Service mitigated the impact of these two price increases by significantly reducing the per-pound prices for editorial content as well as advertising.<sup>25</sup> To the extent that these pound price reductions do not offset the higher bundle and pallet prices, especially for high-editorial, low weight publications, the Postal Service also now proposes to increase the discount provided by the per-piece editorial adjustment for Outside County Periodicals, as noted above.

The Postal Service is sensitive to the impact of its pricing strategy on high editorial content publications and will continue to balance efficient pricing signals and the impact on its small and medium size publications with high editorial content.

### **III. Package Services**

In Order No. 2398, the Commission identified three issues related to Package Services that must be addressed by the Postal Service. First, the Commission found inconsistencies between the revised Package Services billing determinants, filed on March 3, 2015 in Docket

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<sup>23</sup> See, e.g., Comment of the Direct Marketing Association, PRC Docket No. R2015-4, at 1 (March 31, 2015). Following the issuance of Order No. 2398, the Direct Marketing Association (DMA) filed comments in this docket regarding "the adjustment to the rates applicable to editorial content for both commercial and nonprofit periodicals." *Id.* Specifically, the DMA argued that the proposed Periodicals price adjustments disproportionately impact light weight, high editorial content publications that carry little, if any, advertising. *Id.*

<sup>24</sup> See, e.g., Annual Compliance Determination Report, Fiscal Year 2013, PRC Docket No. ACR2013 (March 27, 2014), at 44-45; Annual Compliance Determination Report, Fiscal Year 2012, PRC Docket No. ACR2012 (Revised May 7, 2014), at 8.

<sup>25</sup> Specifically, the proposed editorial pound prices are reduced by almost 26 percent on average, while advertising pound prices are reduced by 17 percent on average.

No. ACR2014, and the Special Weight Report filed in response to Commission Order No. 2378.<sup>26</sup> The Commission directed the Postal Service to reconcile and explain the differences between the Package Services billing determinants and the Special Weight Report. The Postal Service provides the requested explanations below.<sup>27</sup>

Second, the Commission found that the “Postal Service [did] not provide an explanation for using the non-FSS volumes as a proxy or justify why the distribution of non-FSS volumes between the Carrier Route and Presort categories is representative of the distribution of FSS Carrier Route and Presorted Bound Printed Matter Flats in accordance with 39 C.F.R. § 3010.23(d)(2).”<sup>28</sup> The Commission determined that, if the Postal Service wishes to use the non-FSS historical volumes to distribute the FSS volumes, we must explain why it is not possible to use the historical FY 2014 Quarter 4 FSS data as a distribution key for making billing determinant adjustments, and provide empirical evidence in support of the use of non-FSS data.<sup>29</sup> Following the Commission’s direction, the Postal Service has re-evaluated its conclusions regarding the suitability of using the historical FY 2014 Quarter 4 data representing FSS Bound Printed Matter (“BPM”) flats as a reliable measure to adjust the applicable billing determinants. As explained below, the Postal Service has again concluded that our original analysis represents the most reliable approach.

Finally, the Commission found several issues concerning the Postal Service’s price cap calculation workpapers. The Commission identified these issues in library reference PRC-LR-R2015-4/8 and directed the Postal Service to make the necessary corrections in its amended

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<sup>26</sup> Order No. 2398, at 10.

<sup>27</sup> *Id.* at 11.

<sup>28</sup> *Id.* at 9.

<sup>29</sup> *Id.*

notice of price adjustment.<sup>30</sup> The inconsistencies have been corrected in the price cap calculation workpapers, *CAPCAL-PACKSERV-R2015-4\_REMAND2\_USPS.xlsx* and *CAPCAL-PACKSERV-HISTORICAL2-R2015-4\_REMAND2\_USPS.xlsx*, submitted as part of Library Reference USPS-LR-R2015-4/12.

**a) Inconsistencies between the Special Weight Report and the Package Services Billing Determinants**

As mentioned above, in Order No. 2398, the Commission found inconsistencies between the revised Package Service billing determinants, filed on March 3, 2015 in Docket No. ACR2014, and the Special Weight Report (“SWR”) filed in response to Commission Order No. 2378. The inconsistencies identified by the Commission in Order No 2398 have been reconciled. However, the Commission further concluded that “[g]iven that the Special Weight Report is the source file for the billing determinants, data from the Special Weight Report should match the billing determinants data.”<sup>31</sup> The Postal Service disagrees with this broad conclusion.

As discussed in more detail in the preface to the revised Package Services billing determinants filed in Docket No. ACR2014 on April 15, 2015, the volumes in the SWR do not generally, and should not necessarily, match the volumes in the billing determinants.<sup>32</sup> By way of explanation, although the SWR is a “source” document for the billing determinants, its main use is to create a distribution by which the RPW Extract volume and weight can be correctly allocated to the rate cells within the billing determinants. The Special Weight Report totals do not (and should not) always match the RPW Report and its extracts because of accounting and other end-of-period adjustments that are reflected in the RPW reports, but not necessarily in the Special Weight Reports.

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<sup>30</sup> Order No. 2398, at 10-11.

<sup>31</sup> *Id.* at 10.

<sup>32</sup> Docket No. ACR2014, USPS-FY14-4 - FY2014 Domestic Market Dominant Billing Determination (Revised), file *USPS-FY14-4 Preface Rev.4.15.15.pdf* (April 15, 2015).

For instance, there are 796,159 more pieces in the extract file for BPM Presort Parcels than in the Special Weight Report. These are NSA pieces that were misallocated in the SWR and redistributed in the end-of-year RPW report. These pieces were appropriately applied to the presort DDU entry and the rest of the RPW volumes were redistributed in the Billing Determinants using the Special Weight Report as the distribution key. Additionally, there was also a 492 piece difference in single piece BPM Flats. These are Single-Piece metered pieces. In earlier quarters, BPM data came from both PostalOne and ODIS-RPW. We dropped Single-Piece Metered pieces from PostalOne to avoid double counting. The Special Weight Report included these. This has been fixed going forward.

**b) Careful analysis of the historical FY 2014 Quarter 4 data concerning FSS Bound Printed Matter flats militates against its use as a reliable distribution key to adjust BPM billing determinants.**

In Order No. 2398, the Commission described the approach adopted by the Postal Service, which used the historical non-FSS distribution of Carrier Route and Presort volumes in FY 2014 as a proxy for the FSS distribution of Carrier Route and Presort BPM flats, and noted that our explanation for doing so was inadequate.<sup>33</sup> Specifically, the Commission asserted that the Postal Service failed to explain why the distribution in non-FSS volume was representative of the distribution for FSS volume.<sup>34</sup> The Commission noted that 39 C.F.R. § 3010.23(d)(3) requires the use of historical volume data “whenever possible,” and wondered why the Postal Service did not use the FY 2014 Quarter 4 FSS data.<sup>35</sup> The Commission directed the Postal Service to explain why we believed the use of the FY 2014 Quarter 4 data as a distribution key was not possible and to provide empirical evidence in support of our proposed approach.<sup>36</sup>

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<sup>33</sup> Order No. 2398, at 9.

<sup>34</sup> *Id.*

<sup>35</sup> *Id.*

<sup>36</sup> *Id.*

The Postal Service used the above-described proxy because we believed that the use of historical non-FSS data as a proxy for splitting FSS volumes between the Carrier Route and Presort categories complied with all Commission rules, and because the alternative (using historical data from a small, nonrepresentative time period) was not reasonable. As a preliminary matter, the Postal Service concluded that the existing FY 2014 Quarter 4 data was not suitable as the basis for the annualized distribution of FSS volumes to the Carrier Route and Presort categories, because the data collected “late” in Quarter 4 represented only the last 3 weeks of the month of September. In addition, the incompleteness of that September data gave the Postal Service serious misgivings concerning its use for the purpose of establishing a reliable split between Carrier Route and Presort for FSS BPM flats.

However, in light of the Commission’s directives, the Postal Service re-evaluated its approach with the objective of determining the feasibility and appropriateness of utilizing the historical data from the last three weeks in September of 2014 to establish a reliable split between Carrier Route and Presort FSS BPM flats. In this undertaking, the Postal Service has focused on the ultimate goal of utilizing the most reasonable and reliable historical data available for the purpose of adjusting the BPM billing determinants. Historical FSS data would be preferable, unless there are countervailing considerations that would argue against its use. In this regard, we have considered issues arising from the operational context of mailings, as well as relationships with other data, that might cast doubt on whether the historical September 2014 data are reliable for this purpose.

As noted above, the Postal Service has again concluded, after careful reconsideration, that our original judgment to use non-FSS historical data to estimate the split between Carrier

Route and Presort FSS BPM flats remains the most rational and reliable approach.<sup>37</sup> In support of this conclusion, the Postal Service first discusses the inherent problems associated with using the three weeks of historical FSS data from September of 2014. Additionally, to further document the extent of our efforts to fully consider the feasibility of using the September data, the Postal Service also presents two approaches for utilizing the FY 2014 Quarter 4 FSS volume data in slightly different ways. These methods, and supporting materials, all amply demonstrate that the use of the September 2014 FSS volume data produces irregular results inconsistent with the likely distribution of Carrier Route and Presort FSS BPM Flats in FY 2014.

**i) Several factors significantly undermine the reliability of the September 2014 FSS data**

As a general proposition, statistical estimation based on sampling depends in large part on the number and representativeness of the activities being observed. Generally speaking, the larger and more representative the number of observations, the more reliable the results will be in developing a picture of the entire population. Furthermore, any irregularities embodied in the small number of reported activities can distort the estimation. As stated above, the Postal Service does not believe that the limited three weeks of available historical data from FY 2014 Quarter 4 provide a reliable basis to estimate an accurate split between Carrier Route and Presort FSS BPM flats over the entirety of FY 2014. In particular, in this narrow instance, there are reasonable grounds to question the reliability of the information reflecting BPM mailings collected during the last three weeks of September.

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<sup>37</sup> Library reference USPS-LR-R2015-4/12 includes excel workbook *CAPCAL-PACKSERV-R2015-4\_REMAND2\_USPS.xlsx*, which presents updated price cap calculation workpapers that make use of the historical non-FSS proxy data.

As noted by the Postal Service earlier in this docket, during this period, no actual rate differences existed between the FSS Carrier Route and Presort categories.<sup>38</sup> Thus, there was no price or revenue implication associated with the provision of data indicating the volumes of FSS mail in Carrier Route and Presort. In this regard, it is useful to remember that mailers use software (Mail.dat) to instruct them on how best to prepare their mailings, given the specific array of pieces, the number of available pieces being sent to the same carrier route, and the ease with which bundles of sufficient size could be prepared to achieve presort densities.

Significantly, the software is also used to develop the mailing statements that inform the Postal Service of the volume of mail being tendered in each rate category, and hence, what postage or revenue is associated with that mailing. This software is updated throughout the year. As one might expect, upgrading to a new software release can be expensive and an administrative burden. Accordingly, as is the case here, when a new software release does not affect the mail preparation requirements or prices, mailers lack a sufficient incentive to upgrade to the most recent software. Indeed, a review of the Mail.dat jobs tendered in Quarter 4 of FY 2014 for BPM flats reveals that zero Mail.dat jobs used the most recent software release, Mail.dat Version 14-2, in the months of July and August. Version 14-2 was the first release of Mail.dat that supported BPM FSS scheme and BPM FSS Carrier Route mail preparation. In the month of September, only 223 of the 1,153 Mail.dat jobs used the most recent software release available. Simply put, it cannot be assumed that the data captured from Mail.dat files from less than twenty percent of BPM flats mailings, for only three weeks of a month, would represent the profile of mail for the entire month, much less the entire fiscal year.

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<sup>38</sup> Docket No. R2015-4, Response of the United States Postal Service to Question 1 of Chairman's Information Request No. 15 (March 3, 2015).



When considering the appropriateness of using the data from these twenty percent of the mailings for a period of three weeks, it is also necessary to keep in mind the seasonal behavior of Bound Printed Matter mailings. As can be seen from the table below, there is a strong seasonal pattern indicated by the difference in the coefficient values from the demand equation estimates, and the statistical significance of those coefficients. Notably, the coefficients for the first three quarters are negative, indicating that, holding all other influences on Bound Printed Matter volume (such as prices, economic conditions, and the other variables in the demand equation) constant, it would be expected that the volume of Bound Printed Matter would be lower in quarters 1 and 2, and very much lower in quarter 3, compared to quarter 4 which is the base. To clarify, the volume in Quarter 1 would be expected to be 13% lower than the volume in Quarter 4; Quarter 2 volume would be 10 percent lower than in Quarter 4, and so on. The seasonal coefficients are as follows:

<u>Seasonal Variables</u>			
	Coefficients	Std. Error	T-Ratio
GQTR1	-0.132012	0.021131	-6.247392
GQTR2	-0.100255	0.016326	-6.140745
GQTR3	-0.250144	0.016396	-15.256112

Source: The season coefficients for Bound Printed matter are presented on page 78 of “DemandEquations-Jan2015(md).doc.” This document can be found under Periodic Reports/Data Reports Market Dominant Products, FY 2014: USPS Demand Equation Estimation and Volume Forecasting Methodologies ( Jan. 20, 2015).

Imposing Quarter 4’s distribution on the entire year holds the potential for distorting the picture of the entire year.

In this regard, the Postal Service observes that volumes reported on a month-to-month basis may vary significantly based on the timing of catalog mailings, which make up a

significant portion of BPM flats. For instance, if the mailing habits of certain catalog publishers are not uniform throughout the month, then the three weeks of data may not actually be representative of that month, let alone an entire quarter or an entire fiscal year. This issue matters not only with regard to the revenue per piece, but also with respect to the distribution of the pieces to geographic areas (e.g. postal delivery areas that are, or are not, covered by FSS schemes). To be sure, of the 1,853 unique mailing permit holders that tendered Presort BPM Flats in FY 2014, only 434, or about twenty-three percent, tendered any BPM Presort flats in the month of September. Additionally, the mailing patterns for BPM flats permit holders can vary significantly from month to month, with only 56 (3%) of the permit holders mailing every month. Nearly half (49%) of BPM flats permit holders mailed in only one month during the Fiscal Year, eighteen percent mailed only twice a year, seven percent mailed four times a year.

Additionally, in footnote 10 of Order No. 2398, the Commission suggested that FY 2015 Q1 data “may be useful for the disaggregation of FY 2014 FSS volumes.”<sup>39</sup> Notably, this data reaffirms the total FY 2014 Carrier Route volume distribution. Carrier Route (both FSS and non-FSS) represented 45.9% of total FY 2014 BPM Presorted flats, and 46.5% in FY 2015 Q1.<sup>40</sup> The Carrier Route percentages for Q4 of FY 2014 and the three weeks of September are considerably lower, at 42.2% and 40.3%.<sup>41</sup> The differences in these percentages may appear to be relatively unremarkable, but it is important to remember that the goal of the exercise of adjusting the billing determinants is to derive the FSS shares of the volume while preserving the

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<sup>39</sup> The Commission does not elaborate on its reference to FY 2015 data, but the Postal Service does not believe that the Commission is suggesting that this historical data, from another fiscal year, be substituted for data from the fiscal year at issue, nor used for the purpose of establishing the split between Carrier Route and Presort FSS BPM flats. Rather, the Postal Service has interpreted footnote 10 to indicate that the Commission thought that the FY 2014 Quarter 4 data might be compared to the FY 2015 Quarter 1 data to establish some degree of assurance that the relationships seen in Quarter 4 were more widespread.

<sup>40</sup> Periodic report, *Market Dominant Billing Determinants, Quarter 1 FY 2015* (March 27, 2015).

<sup>41</sup> Based on the revised Q4 FY 2014 billing determinants filed in Docket No. ACR2014 and the September Special Weight Report.

distribution of the total volume and revenue figures for the year to rate cells. This allows for an accurate comparison of the revenue from current rates and the proposed rates. Shifting the total share of Carrier Route from the 45.9% reported for the full FY 2014, to the much lower 40.3% or 42.2%, would have biased the total revenue estimate upward, and could have led to an underestimate of the impact of the proposed prices.

Finally, one more factor needs to be considered when looking at the FSS historical data for BPM Presort Flats. As of today, FSS destinating BPM Carrier Route flats entered at a DDU are exempt from sorting to the FSS presort level. Accordingly, these volumes are not scored in our historical data as FSS BPM Carrier Route Flats. If the exception was not in place, these volumes would be reflected as BPM FSS Carrier Route flats, increasing both the overall total of FSS volume and the total of FSS Carrier Route flats volume. Moreover, there is the possibility that given the exception for BPM Carrier Route flats, BPM Presort flats mail that could be FSS, is not being prepared as FSS. Mailers would have to create two separate mail streams and this is unlikely given the additional costs they would need to incur.

For the foregoing reasons, the Postal Service does not believe that the three weeks of historical BPM FSS volume data can be used as a reliable source to distribute the FSS volumes between the Carrier Route and Presort categories. In addition to this discussion, the Postal Service also presents two approaches for utilizing the FY 2014 Quarter 4 FSS volume, which further demonstrate why the method proposed by the Postal Service is more reasonable and reliable. These methods, and supporting materials, are presented below.

#### **ii) Historical Data Model #1**

The Commission had requested that the Postal Service use FY 2014 Q4 as the source of the distribution key for FSS flats. The Postal Service interpreted that request to be that the

actual data obtained from mailers reporting their FSS Carrier Route and FSS Presort volumes be used. The Postal Service notes, however, that the first two months in Quarter 4 provided no additional data than did the previous three quarters because the software that allowed the mailers to report the FSS distributions did not launch until the second week of September. Therefore, the Postal Service has developed analyses using the September, actual historical data, in response to the Commission's request.

In the first model, filed as *HISTORICALDATAMODEL1\_R2015-4\_USPS.xlsx* in USPS-LR-R2015-4/12, the Postal Service used the FY September 2014 Quarter 4 FSS volume data to distribute FSS volumes between the carrier route and presort BPM flats categories.<sup>42</sup> This approach began by determining the shares of Carrier Route and Presort for all FSS volume in September, 2014. Those shares were 12.4 percent for the former and 87.6 percent for the latter. These shares were then applied to the FY 2014 annualized FSS volume of 10,657,901. As a result, the adjusted volumes for FSS Carrier Route and Basic Presort were 1,326,566 and 9,331,336 respectively.

The volumes derived above were then allocated using the distributions for FSS Carrier Route and FSS Basic Presort from a specially developed September special weight report.<sup>43</sup> To determine the volume for the non-FSS Carrier Route categories, the FSS Carrier Route volume derived in the previous step was subtracted from the sum of FY 2014 FSS Carrier Route and non-FSS Carrier Route volumes. The same process was used for Presort. However, when the September 2014 distribution was used, the volume of FSS in the DFSS entry point was greater than the total volume of Basic Presort (FSS and non-FSS) entered at the DSCF. As a result,

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<sup>42</sup> The FY September 2014 Quarter 4 FSS volume data is submitted as *FY2014API2\_EXTRACT-R2015-4\_USPS.xlsx* in USPS-LR-R2015-4/12.

<sup>43</sup> The September Special Weight Report is submitted as *BPMFY14API2SWR\_HISTORICALMODELS-R2015-4\_USPS.xlsx* in USPS-LR-R2015-4/12.

there was negative volume for non-FSS Basic Presort entered at the DSCF. Given this result, the Postal Service concluded that this approach to using the historical FSS data from September was not viable.

### iii) Historical Data Model #2

In the second model, filed as *CAPCAL-PACKSERV-HISTORICAL2-R2015-4\_REMAND2\_USPS.xlsx* in USPS-LR-R2015-4/12, the Postal Service used the distribution from the September Special Weight Report to replace all of the other historical data on FSS and non-FSS volumes. The same special weight report developed for September 2014 that was used in the previous model was used to create a distribution for Presorted BPM Flats. The fiscal year 2014 volume for Presorted BPM Flats was distributed using this distribution key. While this process avoided the negative volume issues discussed above, the results of this analysis produced a distribution that was not representative of the fiscal year data, as is further shown in the table below.

**Summary Distribution of BPM Presort Flats by FSS and non-FSS for Carrier Route and Basic Presort**

	Sep-14	FY 2014	Difference
CR FSS	153,271	751,185	
Presort FSS	1,078,142	6,565,131	
CR Non-FSS	8,743,462	112,310,065	
Presort Non-FSS	12,096,459	126,711,169	
Total	22,071,334	246,337,550	
CR FSS	0.7%	0.3%	0.4%
Presort FSS	4.9%	2.7%	2.2%
CR Non-FSS	39.6%	45.6%	-6.0%
Presort Non-FSS	54.8%	51.4%	3.4%
Total Presort	59.7%	54.1%	5.6%
Total Carrier Route	40.3%	45.9%	-5.6%
Difference in Share Between Carrier Route and Presort	19.4%	8.2%	11.2%

Source: RPW for FY 14 and September 2014.

The table above shows that in FY 2014 there was an 8.2 percent gap between the total volume shares of Carrier Route and Basic Presort. Significantly, in September of 2014 that gap was 19.4 percent. The 11.2 percent difference between the Fiscal Year and September volume data is equivalent to 27.6 million flats, which is greater than the total volume for the month of September.

The Postal Service believes that the need to move 27.6 million flats from Carrier Route to Basic Presort, in addition to all of the issues presented above, demonstrates that the September 2014 data is not representative of the Fiscal Year as whole and should not be used. Moreover, this model goes well beyond what the Commission was likely requesting, by replacing all historical data for FSS and non-FSS volumes with unrepresentative data from September. Therefore, the Postal Service does not believe that this model should be used to adjust the Package Service billing determinants.<sup>44</sup>

**c) It is more appropriate to use historical non-FSS data to distribute volume between FSS carrier route and FSS presort BPM flats.**

As the Postal Service has repeatedly suggested, the use of historical non-FSS data as a proxy for distributing FSS volumes between the Carrier Route and Presort categories of BPM flats is the most appropriate method for adjusting the Package Services billing determinants. At a bare minimum, the non-FSS proxy, which is based on historical data representing a full year of operations, avoids the infirmities and uncertainties associated with the FSS data from September of 2014. An important secondary consideration is whether there is any reason to conclude that the proxy data is not representative of the FSS Carrier Route and FSS Presort categories of BPM

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<sup>44</sup> While the Postal Service believes that the proxy method represents the best way to distribute BPM FSS volumes between the Carrier Route and Presort categories, we note that both the proxy model (*CAPCAL-PACKSERV-R2015-4\_REMAND2\_USPS.xlsx*) and historical model #2 (*CAPCAL-PACKSERV-HISTORICAL2-R2015-4\_REMAND2\_USPS.xlsx*) could be implemented without changes to proposed prices and without exceeding the price cap.

flats. In other words, the basic inquiry is whether there is any material difference between the behaviors of mailers who sent BPM flats in non-FSS zones versus FSS zones. In this case, for the reasons articulated below, there is no reason to conclude that there is any such material difference in mailer behavior.

In this regard, it is important to consider the key factor that leads mailers to enter mail as Carrier Route or Presort in the first place: the volume and density characteristics of each mailing. In other words, a mailer's ability to produce a carrier route bundle is entirely dependent on the number of BPM flats that will be destinating on the same carrier route. Given that Carrier Route mailings receive the lowest possible price, one assumes that a rational mailer would always send Carrier Route mailings, unless it lacked the required volume and density. The same volume and density characteristics also dictate a mailer's ability to produce presort mailings. The Postal Service has no operational evidence that suggests that the same economic incentives, and volume and density characteristics, which cause mailers to produce Carrier Route and Presort volumes in FSS zones would differ in non-FSS zones.

Without accurate or reliable historical FSS data to determine the split between FSS Carrier Route and FSS Presort, it is better to rely on the known historical weighted volume between total Presort and Carrier Route BPM flats. This approach is similar to the accepted approach taken by the Commission when evaluating market-dominant NSAs: using average demand elasticities (as opposed to mailer specific elasticities) to determine whether an NSA improves the net financial position of the Postal Service. The same precepts (largely a desire to rely on known and reliable data) that lead the Commission to adopt this approach in NSA dockets also apply to the present case.

**d) Issues in library reference PRC-LR-R2015-4/8 have been corrected in revised price cap calculation workpapers.**

As noted above, the issues identified in library reference PRC-LR-R2014-4/8 have been corrected in the price cap calculation workpapers submitted as part of Library Reference USPS-LR-R2015-4/12. Each excel workbook contains a tab entitled “PRC Preface,” which has a detailed list of the cells that were corrected in response to the Commission’s findings.<sup>45</sup>

**IV. Conclusion**

As explained above, the Postal Service has complied with the Commission’s directives in Order No 2398. Accordingly, the Postal Service respectfully requests that the Commission expeditiously approve the proposed rates for Standard Mail, Periodicals, and Package Services.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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<sup>45</sup> More specifically, three items were identified and corrected. First, the Commission asked the Postal Service to confirm the PRC Totals in Column M in the “BPM Single Piece Parcels” tab. Second, the Commission asked the Postal Service to reconcile the CapCalc BPM Single-Piece Parcel volume to RPW volumes. Finally, the Commission asked the Postal Service to reconcile the CapCalc BPM Presort pounds to the RPW pounds.



# **ATTACHMENT A, PART I**

## **CHANGES TO MAIL CLASSIFICATION SCHEDULE (CPI-PRICES)**

(Green highlighting for second remand changes,  
and yellow highlighting for first remand changes)

**1110 Presorted Letters/Postcards**

\* \* \* \* \*

**1110.4 Optional Features**

The following additional postal services may be available in conjunction with the product specified in this section:

- Ancillary Services (1505)
  - Address Correction Service (1505.1)
  - Certified Mail (1505.5)
  - Certificate of Mailing (1505.6)
  - Collect on Delivery (1505.7)
  - Insurance (1505.9)
  - Return Receipt (1505.13)
  - ~~Restricted Delivery (1505.15)~~
  - Special Handling (1505.18)
- Competitive Ancillary Services (2645)
  - Package Intercept Service (2645.2)
- ~~Repositionable Notes: Presorted Letters Only~~
- Full-service Intelligent Mail Option: Automation Letters and Automation Postcards Only
- Picture Permit Imprint Indicia
- Advanced and Emerging Technology Promotion (June 1, 2015 to November 30, 2015)
- ~~Branded Color Mobile Technology Promotion (February 1, 2014 to March 31, 2014)~~
- ~~Earned Value Reply Mail Promotion (April-May 1, 2014-2015 to June July 31, 2014-2015)~~
- ~~Color Transpromo Printing in First-Class Mail Transactions Promotion (April June 1, 2015-2014 to December November 30, 2015-2014)~~
- ~~Premium Advertising Promotion (April 1, 2014 to June 30, 2014)~~
- ~~Mail and Digital Personalization Promotion (May 1, 2014 to June 30, 2014)~~

~~*Letters including a Repositionable Note*~~

~~Add \$0.000 for each presorted letter bearing a Repositionable Note.~~

*Full-service Intelligent Mail Option*

Subtract \$0.003 for each automation letter or automation postcard that complies with the requirements for the Full-service Intelligent Mail option.

*Picture Permit Imprint Indicia*

Add \$0.01 for each piece that includes Picture Permit Imprint Indicia.

~~*Branded Color Mobile Technology Promotion (February 1, 2014 to March 31, 2014)*~~

~~Provide a two percent discount on the qualifying postage for First-Class Mail presort or automation letters, postcards, and flats sent during the established program period, and which include print mobile technology (such as QR Code) with creative elements including color and graphics, inside or on the mailpiece. To receive the discount, mailers must comply with the eligibility requirements of the program.~~

~~*Advanced and Emerging Technology Promotion (June 1, 2015 to November 30, 2015)*~~

~~Provide a two percent discount on the qualifying postage for First-Class Mail and Standard Mail presort or automation letters, postcards, and flats that are sent during the established program period, and which include affixed or embedded technology that allows the recipient to engage in an experience facilitated via Near Field Communication, or other qualifying emerging technology leading to a mobile experience. To receive the discount, mailers must comply with the eligibility requirements of the program.~~

~~*Earned Value Reply Mail Promotion (April-May 1, 2014-2015 to June-July 31, 2014-2015)*~~

~~Provide a \$0.02 or \$0.03 per piece rebate on all Business Reply Mail and Courtesy Reply Mail pieces that meet program requirements and are returned to the registered customer during the program period. To receive the rebate, registered customers must have mailed out pieces that included a Business Reply Mail or Courtesy Reply Mail envelope, and comply with all other eligibility requirements of the program. To qualify for the \$0.03 per piece rebate, a mailer must have participated in the 2014~~3~~ Earned Value Promotion and increase their volume of qualifying Business Reply Mail/Courtesy Reply Mail pieces in 2015~~4~~.~~

## 1115 Flats

\* \* \* \* \*

### 1115.4 Optional Features

The following additional postal services may be available in conjunction with the product specified in this section:

- Ancillary Services (1505)
  - Address Correction Service (1505.1)
  - Business Reply Mail (1505.3)
  - Certified Mail (1505.5)
  - Certificate of Mailing (1505.6)
  - Collect on Delivery (1505.7)
  - Insurance (1505.9)
  - Registered Mail (1505.12)
  - Return Receipt (1505.13)
  - ~~Restricted Delivery (1505.15)~~
  - Special Handling (1505.18)
- Competitive Ancillary Services (2645)
  - Package Intercept Service (2645.2)
- ~~Repositionable Notes~~
- Full-service Intelligent Mail option: Automation Flats Only
- Picture Permit Imprint Indicia
- Advanced and Emerging Technology Promotion (June 1, 2015 to November 30, 2015)
- ~~Branded Color Mobile Technology Promotion (February 1, 2014 to March 31, 2014)~~
- ~~Mail and Digital Personalization Promotion (May 1, 2014 to June 30, 2014)~~

### 1115.5 Prices

#### Automation Flats

Maximum Weight (ounces)	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
1	0.438	0.630	0.670	0.750
2	0.648	0.840	0.880	0.960

- c. Qualifying pieces must contain a standard 12 cm or smaller optical disc.
- d. Pieces weighing no more than two (2) ounces qualify for the one (1) ounce price.
- e. Returned pieces must be picked up by the mailer at designated Postal Service facilities.
- f. Flat Round-Trip Mailers are not subject to prices for:
  - (i) the Nonmachinable Letters price category of Presorted Letters/Postcards, or
  - (ii) the Single-Piece Nonmachinable Letters price category of Single-Piece Letters/Postcards.

~~*Flats including a Repositionable Note*~~

~~Add \$0.000 for each piece bearing a Repositionable Note.~~

*Full-service Intelligent Mail Option*

Subtract \$0.003 for each automation flat that complies with the requirements for the Full-service Intelligent Mail option.

*Picture Permit Imprint Indicia*

Add \$0.01 for each piece that includes Picture Permit Imprint Indicia.

*Advanced and Emerging Technology Promotion (June 1, 2015 to November 30, 2015)*

Provide a two percent discount on the qualifying postage for First-Class Mail and Standard Mail presort or automation letters, postcards, and flats that are sent during the established program period, and which include affixed or embedded technology that allows the recipient to engage in an experience facilitated via Near Field Communication, or other qualifying emerging technology leading to a mobile experience. To receive the discount, mailers must comply with the eligibility requirements of the program.

**1200 Standard Mail (Commercial and Nonprofit)**

\* \* \* \* \*

**1205 High Density and Saturation Letters**

\* \* \* \* \*

**1205.5 Optional Features**

The following additional postal services may be available in conjunction with the product specified in this section:

\* \* \* \* \*

- Picture Permit Imprint Indicia
- ~~EDDM Coupon Program (March 1, 2014 to December 31, 2014)~~
- ~~High Density and Saturation Incentive Program (January 1, 2014 to December 31, 2014)~~
- ~~Branded Color Mobile Technology Promotion (February 1, 2014 to March 31, 2014)~~
- ~~Earned Value Reply Mail Promotion (April-May 1, 2015-2014 to July 31, 2015-June 30, 2014)~~
- ~~Mail and Digital Personalization Promotion (May 1, 2014 to June 30, 2014)~~
- ~~Advanced and Emerging Technology — Near Field Communication Promotion (August-June 1, 2015-2014 to November 30, 2015-September 30, 2014)~~
- ~~Mail Drives Mobile Engagement Commerce Promotion (November July 1, 2015-2014 to December 31, 2015-2014)~~

**1205.6 Prices**

*Saturation Letters (3.53 ounces or less)*

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.194	0.120
DNDC	0.162	0.088
DSCF	0.151	0.077

*High Density Plus Letters (3.53 ounces or less)*

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.204	0.130
DNDC	0.172	0.098
DSCF	0.161	0.087

*High Density Letters (3.53 ounces or less)*

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.207	0.133
DNDC	0.175	0.101
DSCF	0.164	0.090

*Saturation, High Density Plus, and High Density Nonautomation Letters  
(3.3 ounces or less) Commercial*

Entry Point	Saturation (\$)	High Density Plus (\$)	High Density (\$)
None	0.205	0.230	0.235
DNDC	0.172	0.197	0.202
DSCF	0.162	0.187	0.192

*Saturation, High Density Plus, and High Density Nonautomation Letters  
(3.3 ounces or less) Nonprofit*

Entry Point	Saturation (\$)	High Density Plus (\$)	High Density (\$)
None	0.131	0.156	0.161
DNDC	0.098	0.123	0.128
DSCF	0.088	0.113	0.118

*Saturation, High Density Plus, and High Density Nonautomation Letters  
(more than 3.3 ounces) Commercial and Nonprofit*

Saturation, High Density Plus, and High Density letter-shaped pieces, and letter-shaped pieces without eligible barcodes or not meeting automation letter standards, that weigh more than 3.3 ounces must pay the prices shown in the applicable Standard Mail (Commercial and Nonprofit) Saturation, High Density Plus, and High Density Flats price tables (1210.6). These pieces cannot be entered at a DDU and must be prepared as letters.

a. Per Piece

	Saturation (\$)	High Density Plus (\$)	High Density (\$)
Automation	0.064	0.075	0.079
Nonautomation	0.076	0.083	0.107

b. Per Pound

Entry Point	Saturation (\$)	High Density Plus (\$)	High Density (\$)
None	0.612	0.612	0.612
DNDC	0.454	0.454	0.454
DSCF	0.403	0.403	0.403

~~*Saturation, High Density Plus, and High Density Letters (more than 3.3 ounces) Nonprofit*~~

a. Per Piece



	<b>Saturation (\$)</b>	<b>High-Density Plus (\$)</b>	<b>High Density (\$)</b>
Automation	0.025	0.034	0.038
Nonautomation	0.035	0.042	0.066

**b. Per Pound**

<b>Entry Point</b>	<b>Saturation (\$)</b>	<b>High-Density Plus (\$)</b>	<b>High Density (\$)</b>
None	0.442	0.442	0.442
DNDG	0.281	0.281	0.281
DSCF	0.233	0.233	0.233

*Move Update Noncompliance Charge*

Add \$0.073 per piece in a mailing that does not comply with the Move Update standards.

*Move Update Assessment Charge*

Add \$0.073 per assessed piece, for mailings with less than 70 percent of mailpieces passing a Performance Based Verification at acceptance and which cannot demonstrate compliance with Move Update requirements.

*Forwarding-and-Return Service*

If Forwarding-and-Return Service is used in conjunction with electronic or automated Address Correction Service, forwarded letters pay \$0.435365 per piece and returned letters pay the applicable First-Class Mail price. All other letters requesting Forwarding-and-Return Service that are returned are charged the appropriate First-Class Mail price for the piece plus the price multiplied by a factor of 2.472.

*Letters including a Repositionable Note*

Add \$0.000 for each letter bearing a Repositionable Note.

*Full-service Intelligent Mail Option*

Provide a \$0.02 or \$0.03 per-piece rebate on all Business Reply Mail and Courtesy Reply Mail pieces that meet program requirements and are returned to the registered customer during the program period. To receive the rebate, registered customers must have mailed out pieces that included a Business Reply Mail or Courtesy Reply Mail envelope, and comply with all other eligibility requirements of the program. To qualify for the \$0.03 per piece rebate, a mailer must have participated in the 2014~~3~~ Earned Value Promotion and increase their volume of qualifying Business Reply Mail/Courtesy Reply Mail pieces in 2015~~4~~.

*~~Mail and Digital Personalization Promotion (May 1, 2014 to June 30, 2014)~~*

~~Provide a two percent discount on the qualifying postage for First-Class Mail presort and automation letters, cards, and flats and Standard Mail letters and flats sent during the established program period, and which include print mobile technology leading the recipient to a customized or personalized url, and webpage, creating a mobile experience that offers relevant messaging and content. The mailpiece itself must also be customized to the recipient. To receive the discount, mailers must comply with the eligibility requirements of the program.~~

*~~Advanced and Emerging Technology —Near Field Communication Promotion (June 1, 2015 August 1, 2014 to November 30, 2015 September 30, 2014)~~*

Provide a two percent discount on the qualifying postage for First-Class Mail and Standard Mail presort or automation letters, postcards, and flats that are sent during the established program period, and which include affixed or embedded technology that allows the recipient to engage in an experience facilitated via Near Field Communication, or other qualifying emerging technology leading to a mobile experience. To receive the discount, mailers must comply with the eligibility requirements of the program.

*~~Mail Drives Mobile Engagement Commerce Promotion (November July 1, 2015 2014 to December 31, 2015 2014)~~*

Provide a two percent discount on the qualifying postage for First-Class Mail and Standard Mail presort or automation letters, ~~postcards~~, and flats which include a mobile barcode inside or on the mailpiece that facilitates a mobile optimized shopping experience. To receive the discount, the qualifying mail must be sent during the established program period by mailers that comply with the eligibility requirements of the program. ~~Mailers may also qualify for an additional one percent postage rebate if a portion of their orders are fulfilled via Priority Mail with USPS Tracking during the established fulfillment period.~~

- Earned Value Reply Mail Promotion: Flats Only (~~April~~ May 1, 2015 2014 to July 31, 2015 ~~June 30, 2014~~)
- Mail and Digital Personalization Promotion (~~May 1, 2014 to June 30, 2014~~)
- Advanced and Emerging Technology — ~~Near Field Communication~~ Promotion: Flats Only (~~August~~ June 1, 2015 2014 to November 30, 2015 ~~September 30, 2014~~)
- Mail Drives Mobile Engagement ~~Commerce~~ Promotion: Flats Only (~~November~~ July 1, 2015 2014 to December 31, 2015 2014)

1210.6 Prices

*Saturation Flats (3.3 ounces or less)*

Entry Point	Commercial (\$)		Nonprofit (\$)	
	EDDM	Other	<u>EDDM</u>	<u>Other</u>
Origin	0.206	<u>0.205</u>	<u>0.132</u>	<u>0.131</u>
DNDC	0.173	<u>0.172</u>	<u>0.099</u>	<u>0.098</u>
DSCF	0.163	<u>0.162</u>	<u>0.089</u>	<u>0.088</u>
DDU	<u>0.154</u>	<u>0.153</u>	<u>0.080</u>	<u>0.079</u>

*Saturation Flats (greater than 3.3 ounces)*

Charges are computed by multiplying the number of pieces in the mailing by the applicable per-piece price, multiplying the number of pounds of the mailing by the applicable per-pound price, and adding both totals.

a. Per Piece

	Commercial (\$)		Nonprofit (\$)	
	<u>EDDM</u>	<u>Other</u>	<u>EDDM</u>	<u>Other</u>
Per Piece	0.079	0.078	0.040	0.039

b. Per Pound

Entry Point	Commercial (\$)		Nonprofit (\$)	
	<u>EDDM</u>	<u>Other</u>	<u>EDDM</u>	<u>Other</u>
Origin	0.615	0.615	0.445	0.445
DNDC	0.454	0.454	0.284	0.284
DSCF	0.406	0.406	0.236	0.236
DDU	0.363	0.363	0.193	0.193

*Saturation Parcels*

a. Per Piece

Mailing Volume Tier	Commercial		Nonprofit	
	Small (\$)	Large (\$)	Small (\$)	Large (\$)
0-200,000	0.286	0.330	0.215	0.248
200,001-400,000	0.275	0.319	0.207	0.240
400,001-600,000	0.264	0.308	0.198	0.231
600,001-800,000	0.253	0.297	0.190	0.223
800,000-1,000,000	0.242	0.286	0.182	0.215
Over 1,000,000	0.231	0.275	0.174	0.207

b. Handling Fees for DNDC/DSCF Entry

	Commercial (\$)	Nonprofit (\$)
Entry Point/ Presort	Pallet	Pallet
DNDC – 3-Digit	50.176	40.141
DNDC – 5-Digit	81.584	65.267
DSCF – <del>53</del> -Digit	38.225	30.580
Pallet Presort	Carton/Sack	Carton/Sack
3-Digit	6.833	5.467

High Density Plus Flats (3.3 ounces or less)

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.230	0.156
DNDC	0.197	0.123
DSCF/DFSS	0.187	0.113
<del>DFSS Facility</del>	0.194	0.114
<del>DFSS Scheme</del>	0.187	0.108
DDU	0.178	0.104

High Density Plus Flats (greater than 3.3 ounces)

Charges are computed by multiplying the number of pieces in the mailing by the applicable per-piece price, multiplying the number of pounds of the mailing by the applicable per-pound price, and adding both totals.

a. Per Piece

	Commercial (\$)	Nonprofit (\$)
<del>Per Piece DFSS</del>	0.085	0.043
Per Piece –Other	0.084	0.045

b. Per Pound

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.615	0.445
DNDC	0.454	0.284
DSCF/DFSS	0.406	0.236
<del>DFSS Facility</del>	<del>0.406</del>	<del>0.236</del>
<del>DFSS Scheme</del>	<del>0.406</del>	<del>0.236</del>
DDU	0.363	0.193

*High Density Flats (3.3 ounces or less)*

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.235	0.161
DNDC	0.202	0.128
DSCF/DFSS	0.192	0.118
<del>DFSS Facility</del>	<del>0.199</del>	<del>0.119</del>
<del>DFSS Scheme</del>	<del>0.198</del>	<del>0.118</del>
DDU	0.183	0.109

*High Density Flats (greater than 3.3 ounces)*

Charges are computed by multiplying the number of pieces in the mailing by the applicable per-piece price, multiplying the number of pounds of the mailing by the applicable per-pound price, and adding both totals.

a. Per Piece

	Commercial (\$)	Nonprofit (\$)
<del>Per Piece—DFSS</del>	<del>0.110</del>	<del>0.068</del>
<del>Per Piece—Other</del>	0.108	0.069

b. Per Pound

Entry Point	Commercial (\$)	Nonprofit (\$)
-------------	--------------------	-------------------

Origin	0.615	0.445
DNDC	0.454	0.284
DSCF/DFSS	0.406	0.236
<del>DFSS Facility</del>	<del>0.420</del>	<del>0.243</del>
<del>DFSS Scheme</del>	<del>0.420</del>	<del>0.236</del>
DDU	0.363	0.193

*Move Update Noncompliance Charge*

Add \$0.073 per piece in a mailing that does not comply with the Move Update standards.

*Move Update Assessment Charge*

Add \$0.073 per assessed piece, for mailings with less than 70 percent of mailpieces passing a Performance Based Verification at acceptance and which cannot demonstrate compliance with Move Update requirements.

*Flat-shaped pieces including a Detached Address Label*

Add \$0.0354 for each piece addressed using a Detached Address Label with no advertising, and \$0.0354 for each piece using a Detached Address Label containing advertising (Detached Marketing Label).

*Forwarding-and-Return Service*

If used in conjunction with electronic or automated Address Correction Service, forwarded flats pay \$1.355095 per piece and returned flats the applicable First-Class Mail price. All other pieces requesting Forwarding-and-Return Service that are returned are charged the appropriate First-Class Mail price for the piece plus the price multiplied by a factor of 2.472.

*~~Flats including a Repositionable Note~~*

~~Add \$0.000 for each flat bearing a Repositionable Note.~~

Provide a \$0.02 or \$0.03 per-piece rebate on all Business Reply Mail and Courtesy Reply Mail pieces that meet program requirements and are returned to the registered customer during the program period. To receive the rebate, registered customers must have mailed out pieces that included a Business Reply Mail or Courtesy Reply Mail envelope, and comply with all other eligibility requirements of the program. To qualify for the \$0.03 per piece rebate, a mailer must have participated in the 2014~~3~~ Earned Value Promotion and increase their volume of qualifying Business Reply Mail/Courtesy Reply Mail pieces in 2015~~4~~.

*~~Mail and Digital Personalization Promotion: Flats Only (May 1, 2014 to June 30, 2014)~~*

~~Provide a two percent discount on the qualifying postage for First-Class Mail presort and automation letters, cards, and flats and Standard Mail letters and flats sent during the established program period, and which include print mobile technology leading the recipient to a customized or personalized url, and webpage, creating a mobile experience that offers relevant messaging and content. The mailpiece itself must also be customized to the recipient. To receive the discount, mailers must comply with the eligibility requirements of the program.~~

*~~Advanced and Emerging Technology —Near Field Communication Promotion: Flats Only (June 1, 2015 August 1, 2014 to November 30, 2015 September 30, 2014)~~*

Provide a two percent discount on the qualifying postage for First-Class Mail and Standard Mail presort or automation letters, postcards, and flats that are sent during the established program period, and which include affixed or embedded technology that allows the recipient to engage in an experience facilitated via Near Field Communication, or other qualifying emerging technology leading to a mobile experience. To receive the discount, mailers must comply with the eligibility requirements of the program.

*~~Mail Drives Mobile Engagement Commerce Promotion: Flats Only (November July 1, 2015 2014 to December 31, 2015-2014)~~*

Provide a two percent discount on the qualifying postage for First-Class Mail and Standard Mail presort or automation letters, ~~postcards~~, and flats which include a mobile barcode inside or on the mailpiece that facilitates a mobile optimized shopping experience. To receive the discount, the qualifying mail must be sent during the established program period by mailers that comply with the eligibility requirements of the program. ~~Mailers may also qualify for an additional one percent postage rebate if a portion of their orders are fulfilled via Priority Mail with USPS Tracking during the established fulfillment period.~~



**1215 Carrier Route**

\* \* \* \* \*

**1215.4 Price Categories**

The following price categories are available for the product specified in this section:

- Letters  
DSCF, DNDC, and Origin entry levels  
Commercial and Nonprofit eligible
- Flats  
DDU, DSCF, ~~DFSS~~, DNDC, and Origin entry levels  
Commercial and Nonprofit eligible
- Parcels  
Volume Tiers, with Handling Fee for DNDC/DSCF entry levels  
Commercial and Nonprofit eligible
- Move Update Noncompliance Charge
- Move Update Assessment Charge

**1215.5 Optional Features**

The following additional postal services may be available in conjunction with the product specified in this section:

\* \* \* \* \*

- Picture Permit Imprint Indicia: Letters and Flats Only
- ~~Branded Color Mobile Technology Promotion: Letters and Flats Only (February 1, 2014 to March 31, 2014)~~
- Earned Value Reply Mail Promotion: Letters and Flats Only (~~April-May 1, 2015-2014 to July 31, 2015-June 30, 2014~~)
- ~~Mail and Digital Personalization Promotion: Letters and Flats Only (May 1, 2014 to June 30, 2014)~~
- ~~Advanced and Emerging Technology — Near Field Communication Promotion: Letters and Flats Only (August-June 1, 2015-2014 to November 30, 2015-September 30, 2014)~~
- Mail Drives Mobile Engagement ~~Commerce~~ Promotion: Letters and Flats Only (~~November~~ July 1, 2015 ~~2014 to December 31, 2015-2014~~)

1215.6 Prices

*Carrier Route Letters (3.53 ounces or less)*

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.288	0.214
DNDC	0.256	0.182
DSCF	0.245	0.171

*Carrier Route Letters weighing greater than 3.3 ounces*

Automation-compatible barcoded carrier route letter-sized pieces that weigh more than 3.3 ounces but not more than 3.5 ounces pay the applicable flats Standard Mail (Commercial and Nonprofit) Carrier Route piece and pound price but receive a discount off the piece price equal to the minimum flats per-piece price minus the minimum letter per-piece price corresponding to the applicable entry point and density tier.

Nonautomation basic carrier route letters pay prices shown in 1215.6 Carrier Route Flats tables. These letters cannot be entered at DDUs and must be prepared as letters.

*Carrier Route Nonautomation Letters weighing greater than 3.35 ounces*

Carrier Route letter-shaped pieces, and letter-shaped pieces without eligible barcodes or not meeting automation letter standards, that weigh more than 3.3 ounces must pay the prices shown in the applicable Standard Mail (Commercial and Nonprofit) Carrier Route Flats price tables (1215.6). These pieces cannot be entered at a DDU and must be prepared as letters.

*Carrier Route Flats (3.3 ounces or less)*

Entry Point	Commercial (\$)		Nonprofit (\$)	
	5-Digit Pallet	Other	5-Digit Pallet	Other
Origin	0.283	0.288	0.209	0.214
DNDC	0.251	0.256	0.177	0.182
DSCF	0.240	0.245	0.166	0.171
DFSS Facility		0.251		0.171
DFSS Scheme		0.250		0.170
DDU	0.233	0.238	0.159	0.164

*Carrier Route Flats (greater than 3.3 ounces)*

Charges are computed by multiplying the number of pieces in the mailing by the applicable per-piece price, multiplying the number of pounds of the mailing by the applicable per-pound price, and adding both totals.

a. Per Piece

<u>Entry Point</u>	<b>Commercial (\$)</b>		<b>Nonprofit (\$)</b>	
	<u>5-Digit Pallets</u>	<u>Other</u>	<u>5-Digit Pallets</u>	<u>Other</u>
Per Piece – DFSS	0.143		0.101	
Per Piece – Other	0.144		0.102	
<u>Origin</u>	<u>0.140</u>	<u>0.145</u>	<u>0.101</u>	<u>0.106</u>
<u>DNDC</u>	<u>0.140</u>	<u>0.145</u>	<u>0.101</u>	<u>0.106</u>
<u>DSCF</u>	<u>0.140</u>	<u>0.145</u>	<u>0.101</u>	<u>0.106</u>
<u>DDU</u>	<u>0.140</u>	<u>0.145</u>	<u>0.101</u>	<u>0.106</u>

b. Per Pound

<b>Entry Point</b>	<b>Commercial (\$)</b>		<b>Nonprofit (\$)</b>	
	<u>5-Digit Pallets</u>	<u>Other</u>	<u>5-Digit Pallets</u>	<u>Other</u>
Origin	<u>0.701</u>	<u>0.701</u>	<u>0.531</u>	<u>0.531</u>
DNDC	<u>0.540</u>	<u>0.540</u>	<u>0.370</u>	<u>0.370</u>
DSCF	<u>0.492</u>	<u>0.492</u>	<u>0.322</u>	<u>0.322</u>
DFSS Facility	0.513		0.335	
DFSS Scheme	0.513		0.335	
DDU	<u>0.449</u>	<u>0.449</u>	<u>0.279</u>	<u>0.279</u>

*Forwarding-and-Return Service*

If used in conjunction with electronic or automated Address Correction Service, forwarded letters pay \$0.435<sup>365</sup> per piece, forwarded flats pay \$1.355<sup>095</sup> per piece and returned letters and flats pay the applicable First-Class Mail price. All other pieces requesting Forwarding-and-Return Service that are returned are charged the appropriate First-Class Mail price for the piece plus the price multiplied by a factor of 2.472.

~~*Letters and Flats including a Repositionable Note*~~

~~Add \$0.000 for each letter or flat bearing a Repositionable Note.~~

*Full-service Intelligent Mail Option: Letter and Flats Only*

Subtract \$0.001 for each carrier route letter or flat that complies with the requirements for the Full-service Intelligent Mail option.

*Picture Permit Imprint Indicia*

Add \$0.020<sub>4</sub> for each piece that includes Picture Permit Imprint Indicia.

~~*Branded Color Mobile Technology Promotion: Letters and Flats Only  
(February 1, 2014 to March 31, 2014)*~~

~~Provide a two percent discount on the qualifying postage for First-Class Mail and Standard Mail presort or automation letters, postcards, and flats sent during the established program period, and which include print mobile technology (such as a QR code) with creative elements including color graphics, inside or on the mailpiece. To receive the discount, mailers must comply with the eligibility requirements of the program.~~

~~*Earned Value Reply Mail Promotion: Letters and Flats Only (April-May 1,  
2015-2014 to July 31, 2015-June 30, 2014)*~~

Provide a \$0.02 or \$0.03 per-piece rebate on all Business Reply Mail and Courtesy Reply Mail pieces that meet program requirements and are returned to the registered customer during the program period. To receive the rebate, registered customers must have mailed out pieces that included a Business Reply Mail or Courtesy Reply Mail envelope, and comply with all other eligibility requirements of the program. To qualify for the \$0.03 per piece rebate, a mailer must have participated in the 2014<sub>3</sub> Earned Value Promotion and increase their volume of qualifying Business Reply Mail/Courtesy Reply Mail pieces in 2015<sub>4</sub>.

~~Mail and Digital Personalization Promotion: Letters and Flats Only (May 1, 2014 to June 30, 2014)~~

~~Provide a two percent discount on the qualifying postage for First-Class Mail presort and automation letters, cards, and flats and Standard Mail letters and flats sent during the established program period, and which include print mobile technology leading the recipient to a customized or personalized url, and webpage, creating a mobile experience that offers relevant messaging and content. The mailpiece itself must also be customized to the recipient. To receive the discount, mailers must comply with the eligibility requirements of the program.~~

~~Advanced and Emerging Technology — Near Field Communication Promotion: Letters and Flats Only (June 1, 2015 August 1, 2014 to November 30, 2015 September 30, 2014)~~

Provide a two percent discount on the qualifying postage for First-Class Mail and Standard Mail presort or automation letters, postcards, and flats that are sent during the established program period, and which include affixed or embedded technology that allows the recipient to engage in an experience facilitated via Near Field Communication, or other qualifying emerging technology leading to a mobile experience. To receive the discount, mailers must comply with the eligibility requirements of the program.

~~Mail Drives Mobile Engagement Commerce Promotion: Letters and Flats Only (November July 1, 2015 2014 to December 31, 2015-2014)~~

Provide a two percent discount on the qualifying postage for First-Class Mail and Standard Mail presort or automation letters, ~~postcards~~, and flats which include a mobile barcode inside or on the mailpiece that facilitates a mobile optimized shopping experience. To receive the discount, the qualifying mail must be sent during the established program period by mailers that comply with the eligibility requirements of the program. ~~Mailers may also qualify for an additional one percent postage rebate if a portion of their orders are fulfilled via Priority Mail with USPS Tracking during the established fulfillment period.~~

## 1220 Letters

\* \* \* \* \*

### 1220.5 Optional Features

The following additional postal services may be available in conjunction with the product specified in this section:

\* \* \* \* \*

- Picture Permit Imprint Indicia
- ~~Branded Color Mobile Technology Promotion (February 1, 2014 to March 31, 2014)~~
- ~~Earned Value Reply Mail Promotion (April-May 1, 2015-2014 to July 31, 2015-June 30, 2014)~~
- ~~Mail and Digital Personalization Promotion (May 1, 2014 to June 30, 2014)~~
- ~~Advanced and Emerging Technology —Near Field Communication Promotion (August-June 1, 2015-2014 to November 30, 2015-September 30, 2014)~~
- ~~Mail Drives Mobile Engagement Commerce Promotion (November July 1, 2015-2014 to December 31, 2015-2014)~~

### 1220.6 Prices

*Automation Letters (3.53 ounces or less)*

Entry Point	Commercial				Nonprofit			
	5-Digit (\$)	3-Digit (\$)	AADC (\$)	Mixed AADC (\$)	5-Digit (\$)	3-Digit (\$)	AADC (\$)	Mixed AADC (\$)
Origin	0.255	0.274	0.274	0.291	0.140	0.159	0.159	0.176
DNDC	0.220	0.239	0.239	0.256	0.105	0.124	0.124	0.141
DSCF	0.211	0.230	0.230	n/a	0.096	0.115	0.115	n/a

*Machinable Letters (3.3 ounces or less)*

Entry Point	Commercial		Nonprofit	
	AADC (\$)	Mixed AADC (\$)	AADC (\$)	Mixed AADC (\$)
Origin	0.290	0.307	0.175	0.192
DNDC	0.255	0.272	0.140	0.157
DSCF	0.246	n/a	0.131	n/a

*Nonmachinable Letters (3.3 ounces or less)*

Entry Point	Commercial				Nonprofit			
	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin	0.464	0.553	0.579	0.653	0.349	0.438	0.464	0.538
DNDC	0.429	0.518	0.544	0.618	0.314	0.403	0.429	0.503
DSCF	0.420	0.509	0.535	n/a	0.305	0.394	0.420	n/a

~~*Pieces weighing more than 3.3 ounces but not more than 3.5 ounces*~~

~~Automation letter-shaped pieces that weigh more than 3.3 ounces but not more than 3.5 ounces pay the applicable flats piece and pound price but receive a discount off the piece price equal to the minimum flats per piece price minus the minimum letter per piece price corresponding to the applicable entry point and density tier.~~

*Nonautomation Pieces weighing greater than 3.3 ounces*

Letters pieces without eligible barcodes or not meeting automation letter standards, that weigh more than 3.3 ounces must pay the prices shown in the applicable Standard Mail (Commercial and Nonprofit) Flats price tables (1225.6). These pieces cannot be entered at a DDU and must be prepared as letters.

~~Charges are computed by multiplying the number of pieces in the mailing by the applicable per piece price, multiplying the number of pounds of the mailing by the applicable per pound price, and adding both totals.~~

a. ~~Per Piece~~

Entry Point	Commercial				Nonprofit			
	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Per Piece	0.265	0.333	0.387	0.438	0.140	0.208	0.262	0.313

b. ~~Per Pound~~

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.782	0.676
DNDG	0.616	0.510
DSCF	0.566	0.460

Move Update Noncompliance Charge

Add \$0.073 per piece in a mailing that does not comply with the Move Update standards.

*Move Update Assessment Charge*

Add \$0.073 per assessed piece, for mailings with less than 70 percent of mailpieces passing a Performance Based Verification at acceptance and which cannot demonstrate compliance with Move Update requirements.

*Forwarding-and-Return Service*

If Forwarding-and-Return Service is used in conjunction with electronic or automated Address Correction Service, forwarded letters pay \$0.435365 per piece and returned letters pay the applicable First-Class Mail price. All other letters requesting Forwarding-and-Return Service that are returned are charged the appropriate First-Class Mail price for the piece plus the price multiplied by a factor of 2.472.

~~Letters including a Repositionable Note~~

~~Add \$0.000 for each letter bearing a Repositionable Note.~~

*Full-service Intelligent Mail Option: Automation Letters Only*



Subtract \$0.001 for each automation letter that complies with the requirements for the Full-service Intelligent Mail option.

*Picture Permit Imprint Indicia*

Add \$0.02~~04~~ for each piece that includes Picture Permit Imprint Indicia.

~~*Branded Color Mobile Technology Promotion (February 1, 2014 to March 31, 2014)*~~

~~Provide a two percent discount on the qualifying postage for First-Class Mail and Standard Mail presort or automation letters, postcards, and flats sent during the established program period, and which include print mobile technology (such as a QR code) with creative elements including color graphics, inside or on the mailpiece. To receive the discount, mailers must comply with the eligibility requirements of the program.~~

~~*Earned Value Reply Mail Promotion (April-May 1, 2015-2014 to July 31, 2015-June 30, 2014)*~~

Provide a \$0.02 or \$0.03 per-piece rebate on all Business Reply Mail and Courtesy Reply Mail pieces that meet program requirements and are returned to the registered customer during the program period. To receive the rebate, registered customers must have mailed out pieces that included a Business Reply Mail or Courtesy Reply Mail envelope, and comply with all other eligibility requirements of the program. To qualify for the \$0.03 per piece rebate, a mailer must have participated in the 2014~~3~~ Earned Value Promotion and increase their volume of qualifying Business Reply Mail/Courtesy Reply Mail pieces in 2015~~4~~.

~~*Mail and Digital Personalization Promotion (May 1, 2014 to June 30, 2014)*~~

~~Provide a two percent discount on the qualifying postage for First-Class Mail presort and automation letters, cards, and flats and Standard Mail letters and flats sent during the established program period, and which include print mobile technology leading the recipient to a customized or personalized url, and webpage, creating a mobile experience that offers relevant messaging and content. The mailpiece itself must also be customized to the recipient. To receive the discount, mailers must comply with the eligibility requirements of the program.~~

~~*Advanced and Emerging Technology – Near Field Communication Promotion (June 1, 2015 August 1, 2014 to November 30, 2015 September 30, 2014)*~~

- Move Update Noncompliance Charge
- Move Update Assessment Charge

#### 1225.5 Optional Features

The following additional postal services may be available in conjunction with the product specified in this section:

\* \* \* \* \*

- Picture Permit Imprint Indicia
- ~~Branded Color Mobile Technology Promotion (February 1, 2014 to March 31, 2014)~~
- Earned Value Reply Mail Promotion (~~April~~ May 1, 2015-2014 to July 31, 2015 ~~June 30, 2014~~)
- ~~Mail and Digital Personalization Promotion (May 1, 2014 to June 30, 2014)~~
- ~~Advanced and Emerging Technology – Near Field Communication~~ Promotion (~~August~~ June 1, 2015-2014 to November 30, 2015 ~~September 30, 2014~~)
- ~~Mail Drives Mobile Engagement Commerce Promotion (November~~ July 1, 2015 ~~2014~~ to December 31, 2015-2014)

#### 1225.6 Prices

*Automation Flats (3.3 ounces or less)*

Commercial						
Entry Point	DFSS Scheme Pallet/Container (\$)	DFSS Non-Scheme Pallet/Container Facility (\$)	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin	0.301	0.331	0.376	0.467	0.522	0.539
DNDC	0.268	0.298	0.343	0.434	0.489	0.506
DSCF	0.258	0.288	0.333	0.424	0.479	n/a
DFSS	0.253	0.283 n/a	n/a	n/a	n/a	n/a

Nonprofit						
Entry Point	DFSS Scheme Pallet/Container (\$)	DFSS Non-Scheme Pallet/Container Facility (\$)	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin	0.162	0.192	0.237	0.328	0.383	0.400
DNDC	0.129	0.159	0.204	0.295	0.350	0.367
DSCF	0.119	0.149	0.194	0.285	0.340	n/a
DFSS	0.114	0.144n/a	n/a	n/a	n/a	n/a

*Automation Flats (greater than 3.3 ounces)*

Charges are computed by multiplying the number of pieces in the mailing by the applicable per-piece price, multiplying the number of pounds of the mailing by the applicable per-pound price, and adding both totals.

a. Per Piece

Commercial						
Entry Point	DFSS Scheme Pallet/Container (\$)	DFSS Non-Scheme Pallet/Container Facility (\$)	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Per Piece—DFSS	0.225	n/a	n/a	n/a	n/a	n/a
Per Piece—Other	n/a					
Origin	0.144	0.174	0.219	0.310	0.365	0.382
DNDC	0.144	0.174	0.219	0.310	0.365	0.382
DSCF	0.144	0.174	0.219	0.310	0.365	n/a
DFSS	0.139	0.169	n/a	n/a	n/a	n/a

Nonprofit						
<u>Entry Point</u>	<u>DFSS Scheme Pallet/Container (\$)</u>	<u>DFSS Non-Scheme Pallet/Container Facility (\$)</u>	<u>5-Digit (\$)</u>	<u>3-Digit (\$)</u>	<u>ADC (\$)</u>	<u>Mixed ADC (\$)</u>
Per Piece—DFSS		n/a	n/a	n/a	n/a	n/a
Per Piece—Other	n/a					
Origin	0.026	0.056	0.101	0.192	0.247	0.264
DNDC	0.026	0.056	0.101	0.192	0.247	0.264
DSCF	0.026	0.056	0.101	0.192	0.247	n/a
DFSS	0.021	0.051	n/a	n/a	n/a	n/a

b. Per Pound

Commercial						
<u>Entry Point</u>	<u>DFSS Scheme Pallet/Container (\$)</u>	<u>DFSS Non-Scheme Pallet/Container Facility (\$)</u>	<u>5-Digit (\$)</u>	<u>3-Digit (\$)</u>	<u>ADC (\$)</u>	<u>Mixed ADC (\$)</u>
Origin	0.763	0.763	0.763	0.763	0.763	0.763
DNDC	0.602	0.602	0.602	0.602	0.602	0.602
DSCF	0.554	0.554	0.554	0.554	0.554	n/a
DFSS	0.554	0.554	n/a	n/a	n/a	n/a

Nonprofit						
Entry Point	DFSS Scheme Pallet/Container (\$)	DFSS Non-Scheme Pallet/Container Facility (\$)	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin	0.660	0.660	0.660	0.660	0.660	0.660
DNDC	0.499	0.499	0.499	0.499	0.499	0.499
DSCF	0.451	0.451	0.451	0.451	0.451	n/a
DFSS	0.451	n/a0.451	n/a	n/a	n/a	n/a

Nonautomation Flats (3.3 ounces or less)

Commercial						
Entry Point	DFSS Scheme Pallet/Container (\$)	DFSS Non-Scheme Pallet/Container Facility (\$)	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin	0.405	0.410	0.425	0.494	0.546	0.580
DNDC	0.372	0.377	0.392	0.461	0.513	0.547
DSCF	0.362	0.367	0.382	0.451	0.503	n/a
DFSS	0.357	n/a0.362	n/a	n/a	n/a	n/a

Nonprofit						
Entry Point	DFSS Scheme Pallet/Container (\$)	DFSS Non-Scheme Pallet/Container Facility (\$)	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin	0.266	0.271	0.286	0.355	0.407	0.441
DNDC	0.233	0.238	0.253	0.322	0.374	0.408
DSCF	0.223	0.228	0.243	0.312	0.364	n/a
DFSS	0.218	n/a0.223	n/a	n/a	n/a	n/a

*Nonautomation Flats (greater than 3.3 ounces)*

Charges are computed by multiplying the number of pieces in the mailing by the applicable per-piece price, multiplying the number of pounds of the mailing by the applicable per-pound price, and adding both totals.

a. Per Piece

Commercial						
<u>Entry Point</u>	<u>DFSS Scheme Pallet/Container (\$)</u>	<u>DFSS Non-Scheme Pallet/Container Facility (\$)</u>	<u>5-Digit (\$)</u>	<u>3-Digit (\$)</u>	<u>ADC (\$)</u>	<u>Mixed ADC (\$)</u>
Per Piece—DFSS		n/a	n/a	n/a	n/a	n/a
Per Piece—Other	n/a					
<u>Origin</u>	<u>0.248</u>	<u>0.253</u>	<u>0.268</u>	<u>0.337</u>	<u>0.389</u>	<u>0.423</u>
<u>DNDC</u>	<u>0.248</u>	<u>0.253</u>	<u>0.268</u>	<u>0.337</u>	<u>0.389</u>	<u>0.423</u>
<u>DSCF</u>	<u>0.248</u>	<u>0.253</u>	<u>0.268</u>	<u>0.337</u>	<u>0.389</u>	<u>n/a</u>
<u>DFSS</u>	<u>0.243</u>	<u>0.248</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>
Nonprofit						
<u>Entry Point</u>	<u>DFSS Scheme Pallet/Container (\$)</u>	<u>DFSS Non-Scheme Pallet/Container Facility (\$)</u>	<u>5-Digit (\$)</u>	<u>3-Digit (\$)</u>	<u>ADC (\$)</u>	<u>Mixed ADC (\$)</u>
Per Piece—DFSS		n/a	n/a	n/a	n/a	n/a
Per Piece—Other	n/a					
<u>Origin</u>	<u>0.130</u>	<u>0.135</u>	<u>0.150</u>	<u>0.219</u>	<u>0.271</u>	<u>0.305</u>
<u>DNDC</u>	<u>0.130</u>	<u>0.135</u>	<u>0.150</u>	<u>0.219</u>	<u>0.271</u>	<u>0.305</u>
<u>DSCF</u>	<u>0.130</u>	<u>0.135</u>	<u>0.150</u>	<u>0.219</u>	<u>0.271</u>	<u>n/a</u>
<u>DFSS</u>	<u>0.125</u>	<u>0.130</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>

b. Per Pound

Commercial						
Entry Point	DFSS Scheme Pallet/Container (\$)	DFSS Non-Scheme Pallet/Container Facility (\$)	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin	0.763	0.763	0.763	0.763	0.763	0.763
DNDC	0.602	0.602	0.602	0.602	0.602	0.602
DSCF	0.554	0.554	0.554	0.554	0.554	n/a
DFSS	0.554	n/a 0.554	n/a	n/a	n/a	n/a

  

Nonprofit						
Entry Point	DFSS Scheme Pallet/Container (\$)	DFSS Non-Scheme Pallet/Container Facility (\$)	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin	0.660	0.660	0.660	0.660	0.660	0.660
DNDC	0.499	0.499	0.499	0.499	0.499	0.499
DSCF	0.451	0.451	0.451	0.451	0.451	n/a
DFSS	0.451	n/a 0.451	n/a	n/a	n/a	n/a

Customized MarketMail Prices

	Commercial (\$)	Nonprofit (\$)
Per Piece	0.440	0.325

Move Update Noncompliance Charge

Add \$0.073 per piece in a mailing that does not comply with the Move Update standards.

Move Update Assessment Charge

Add \$0.073 per assessed piece, for mailings with less than 70 percent of mailpieces passing a Performance Based Verification at acceptance and which cannot demonstrate compliance with Move Update requirements.

*Forwarding-and-Return Service*

If Forwarding-and-Return Service is used in conjunction with electronic or automated Address Correction Service, forwarded flats pay \$~~1.355~~<sup>095</sup> per piece and returned flats pay the applicable First-Class Mail price. All other flats requesting Forwarding-and-Return Service that are returned are charged the appropriate First-Class Mail price for the piece plus the price multiplied by a factor of 2.472.

~~*Flats including a Repositionable Note*~~

~~Add \$0.000 for each flat bearing a Repositionable Note.~~

*Full-service Intelligent Mail Option: Automation Flats Only*

Subtract \$0.001 for each automation flat that complies with the requirements for the Full-service Intelligent Mail option.

*Picture Permit Imprint Indicia*

Add \$0.02~~04~~ for each piece that includes Picture Permit Imprint Indicia.

~~*Branded Color Mobile Technology Promotion (February 1, 2014 to March 31, 2014)*~~

~~Provide a two percent discount on the qualifying postage for First-Class Mail and Standard Mail presort or automation letters, postcards, and flats sent during the established program period, and which include print mobile technology (such as a QR code) with creative elements including color graphics, inside or on the mailpiece. To receive the discount, mailers must comply with the eligibility requirements of the program.~~

~~*Earned Value Reply Mail Promotion (April-May 1, 2015-2014 to July 31, 2015-June 30, 2014)*~~

Provide a \$0.02 or \$0.03 per-piece rebate on all Business Reply Mail and Courtesy Reply Mail pieces that meet program requirements and are returned to the registered customer during the program period. To receive the rebate, registered customers must have mailed out pieces that included a Business Reply Mail or Courtesy Reply Mail envelope, and comply with all other eligibility requirements of the program. To qualify for the \$0.03 per piece rebate, a mailer must have participated in the 2014~~3~~ Earned Value Promotion and increase their volume of qualifying Business Reply Mail/Courtesy Reply Mail pieces in 2015~~4~~.



~~Mail and Digital Personalization Promotion (May 1, 2014 to June 30, 2014)~~

~~Provide a two percent discount on the qualifying postage for First-Class Mail presort and automation letters, cards, and flats and Standard Mail letters and flats sent during the established program period, and which include print mobile technology leading the recipient to a customized or personalized url, and webpage, creating a mobile experience that offers relevant messaging and content. The mailpiece itself must also be customized to the recipient. To receive the discount, mailers must comply with the eligibility requirements of the program.~~

~~Advanced and Emerging Technology – Near Field Communication Promotion (June 1, 2015 August 1, 2014 to November 30, 2015 September 30, 2014)~~

Provide a two percent discount on the qualifying postage for First-Class Mail and Standard Mail presort or automation letters, postcards, and flats that are sent during the established program period, and which include affixed or embedded technology that allows the recipient to engage in an experience facilitated via Near Field Communication, or other qualifying emerging technology leading to a mobile experience. To receive the discount, mailers must comply with the eligibility requirements of the program.

~~Mail Drives Mobile Engagement Commerce Promotion (November July 1, 2015 2014 to December 31, 2015-2014)~~

Provide a two percent discount on the qualifying postage for First-Class Mail and Standard Mail presort or automation letters, ~~postcards~~, and flats which include a mobile barcode inside or on the mailpiece that facilitates a mobile optimized shopping experience. To receive the discount, the qualifying mail must be sent during the established program period by mailers that comply with the eligibility requirements of the program. ~~Mailers may also qualify for an additional one percent postage rebate if a portion of their orders are fulfilled via Priority Mail with USPS Tracking during the established fulfillment period.~~

## 1230 Parcels

\* \* \* \* \*

### 1230.5 Optional Features

The following additional postal services may be available in conjunction with the product specified in this section:

- Forwarding-and-Return Services
- Ancillary Services (1505)
  - Address Correction Service (1505.1)
  - Bulk Parcel Return Service (1505.4)
  - Certificate of Mailing (1505.6)
  - USPS Tracking (1505.8)
  - Bulk Insurance (1505.9)
  - Return Receipt (1505.13)
  - ~~Restricted Delivery (1505.15)~~
  - Shipper-Paid Forwarding: parcels only (1505.16)

### 1230.6 Prices

*Marketing Parcels (3.3 ounces or less)*

Entry Point	Commercial				Nonprofit			
	5-Digit	SCF	NDC	Mixed NDC	5-Digit	SCF	NDC	Mixed NDC
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Origin	n/a	n/a	1.195	1.596	n/a	n/a	1.112	1.513
DNDC	0.722	0.817	1.144	n/a	0.639	0.734	1.061	n/a
DSCF	0.668	0.763	n/a	n/a	0.585	0.680	n/a	n/a
DDU	0.627	n/a	n/a	n/a	0.544	n/a	n/a	n/a

*Marketing Parcels (greater than 3.3 ounces)*

Charges are computed by multiplying the number of pieces in the mailing by the applicable per-piece price, multiplying the number of pounds of the mailing by the applicable per-pound price, and adding both totals.

a. Per Piece

	Commercial				Nonprofit			
	5-Digit	SCF	NDC	Mixed NDC	5-Digit	SCF	NDC	Mixed NDC
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Per Piece	0.539	0.634	0.961	1.362	0.474	0.569	0.896	1.297

b. Per Pound

Entry Point	Commercial				Nonprofit			
	5-Digit	SCF	NDC	Mixed NDC	5-Digit	SCF	NDC	Mixed NDC
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Origin	n/a	n/a	1.133	1.133	n/a	n/a	1.046	1.046
DNDC	0.888	0.888	0.888	n/a	0.801	0.801	0.801	n/a
DSCF	0.625	0.625	n/a	n/a	0.538	0.538	n/a	n/a
DDU	0.428	n/a	n/a	n/a	0.341	n/a	n/a	n/a

*Nonprofit Machinable Parcels Prices (3.5 ounces or more)*

Charges are computed by multiplying the number of pieces in the mailing by the applicable per-piece price, multiplying the number of pounds of the mailing by the applicable per-pound price, and adding both totals.

a. Per Piece

	<b>5-Digit (\$)</b>	<b>NDC (\$)</b>	<b>Mixed NDC (\$)</b>
Per Piece	0.607	0.893	1.291

b. Per Pound

<b>Entry Point</b>	<b>5-Digit (\$)</b>	<b>NDC (\$)</b>	<b>Mixed NDC (\$)</b>
Origin	n/a	1.048	1.048
DNDC	0.803	0.803	n/a
DSCF	0.540	n/a	n/a
DDU	0.343	n/a	n/a

*Nonprofit Irregular Parcels (3.3 ounces or less)*

<b>Entry Point</b>	<b>5-Digit (\$)</b>	<b>SCF (\$)</b>	<b>NDC (\$)</b>	<b>Mixed NDC (\$)</b>
Origin	n/a	n/a	1.282	1.616
DNDC	0.773	0.851	1.232	n/a
DSCF	0.718	0.796	n/a	n/a
DDU	0.678	n/a	n/a	n/a

*Nonprofit Irregular Parcels (greater than 3.3 ounces)*

Charges are computed by multiplying the number of pieces in the mailing by the applicable per piece price, multiplying the number of pounds of the mailing by the applicable per pound price, and adding both totals.

a. Per Piece

Entry Point	5-Digit (\$)	SCF (\$)	NDC (\$)	Mixed NDC (\$)
Per Piece	0.607	0.685	1.066	1.400

b. Per Pound

Entry Point	5-Digit (\$)	SCF (\$)	NDC (\$)	Mixed NDC (\$)
Origin	n/a	n/a	1.048	1.048
DNDC	0.803	0.803	0.803	n/a
DSCF	0.540	0.540	n/a	n/a
DDU	0.343	n/a	n/a	n/a

*Move Update Noncompliance Charge*

Add \$0.073 per piece in a mailing that does not comply with the Move Update standards.

*Move Update Assessment Charge*

Add \$0.073 per assessed piece, for mailings with less than 70 percent of mailpieces passing a Performance Based Verification at acceptance and which cannot demonstrate compliance with Move Update requirements.

*Forwarding-and-Return Service*

Pieces requesting Forwarding-and-Return Service that are returned are charged the appropriate First-Class Mail price or Priority Mail price for the piece plus the price multiplied by a factor of 2.472.

*Non-barcoded Parcels Surcharge*

For non-barcoded parcels, add \$0.0617 per piece. The surcharge does not apply to pieces sorted to 5-Digit ZIP Codes.

- FSS Scheme  
DSCF, DFSS, DADC, DNDC, Origin entry levels
  - FSS Facility  
DSCF, DFSS, DADC, DNDC, Origin entry levels
  - 3-Digit/SCF  
DSCF, DADC, DNDC, Origin entry levels
  - ADC  
DADC, DNDC, Origin entry levels
  - Mixed ADC  
Origin entry level
- b. Sack and Tray Container Price
- Carrier Route/5-Digit  
DDU, DSCF, DADC, DNDC, Origin entry levels
  - FSS Scheme  
DSCF, DFSS, DADC, DNDC, Origin entry levels
  - FSS Facility  
DSCF, DFSS, DADC, DNDC, Origin entry levels
  - 3-Digit/SCF  
DSCF, DADC, DNDC, Origin entry levels
  - ADC  
DADC, DNDC, Origin entry levels
  - Mixed ADC  
Origin entry level

\* \* \* \* \*

1310.6 Prices

\* \* \* \* \*

*Pound Prices (per pound or fraction thereof)*

Entry Level or Zone	Regular		Science of Agriculture	
	Advertising (\$)	Editorial (\$)	Advertising (\$)	Editorial (\$)
DDU	0.120	0.088	0.090	0.088
DSCF	0.176	0.132	0.132	0.132

DFSS	0.176	0.132	0.132	0.132
DADC	0.188	0.141	0.141	0.141
Zones 1 & 2	0.212	0.157	0.159	0.157
Zone 3	0.230	0.157	0.230	0.157
Zone 4	0.291	0.157	0.291	0.157
Zone 5	0.364	0.157	0.364	0.157
Zone 6	0.445	0.157	0.445	0.157
Zone 7	0.539	0.157	0.539	0.157
Zone 8	0.623	0.157	0.623	0.157
Zone 9	0.623	0.157	0.623	0.157

*Piece Price (per addressed piece)*

a. Carrier Route Letters, Flats, and Parcels

Bundle Level	Letters, Flats, and Parcels (\$)
Saturation	0.145
High Density	0.168
Basic	0.202

b. Barcoded Letters

Bundle Level	Barcoded Letters (\$)
5-Digit	0.216
3-Digit/SCF	0.284
ADC	0.304
Mixed ADC	0.341

c. Machinable Flats and Nonbarcoded Letters

<b>Bundle Level</b>	<b>Barcoded Flats (\$)</b>	<b>Nonbarcoded Flats (\$)</b>	<b>Nonbarcoded Letters (\$)</b>
<u>FSS</u>	<u>0.230</u>	<u>0.360</u>	
5-Digit	0.300	0.311	0.311
3-Digit/SCF	0.390	0.416	0.416
ADC	0.407	0.435	0.435
Mixed ADC	0.438	0.473	0.473

d. Nonmachinable Flats and Parcels

<b>Bundle Level</b>	<b>Barcoded Flats (\$)</b>	<b>Nonbarcoded Flats (\$)</b>	<b>Parcels (\$)</b>
5-Digit	0.329	0.329	0.329
3-Digit/SCF	0.466	0.472	0.472
ADC	0.554	0.579	0.579
Mixed ADC	0.658	0.658	0.658

e. Editorial Adjustment

A per-piece editorial adjustment is provided by subtracting **\$0.0010814** for each 1 percent of editorial (nonadvertising) content from the applicable piece price.

f. Firm Bundle Piece Price

Firm bundles are charged a single-piece price of \$0.1959.



## **ATTACHMENT A, PART II**

### **CHANGES TO MAIL CLASSIFICATION SCHEDULE (CPI PRICES + EXIGENT SURCHARGES)**

(Green highlighting for second remand changes,  
and yellow highlighting for first remand changes)

**1110 Presorted Letters/Postcards**

\* \* \* \* \*

**1110.4 Optional Features**

The following additional postal services may be available in conjunction with the product specified in this section:

- Ancillary Services (1505)
  - Address Correction Service (1505.1)
  - Certified Mail (1505.5)
  - Certificate of Mailing (1505.6)
  - Collect on Delivery (1505.7)
  - Insurance (1505.9)
  - Return Receipt (1505.13)
  - ~~Restricted Delivery (1505.15)~~
  - Special Handling (1505.18)
- Competitive Ancillary Services (2645)
  - Package Intercept Service (2645.2)
- ~~Repositionable Notes: Presorted Letters Only~~
- Full-service Intelligent Mail Option: Automation Letters and Automation Postcards Only
- Picture Permit Imprint Indicia
- Advanced and Emerging Technology Promotion (June 1, 2015 to November 30, 2015)
- ~~Branded Color Mobile Technology Promotion (February 1, 2014 to March 31, 2014)~~
- ~~Earned Value Reply Mail Promotion (April-May 1, 2014-2015 to June July 31, 2014-2015)~~
- ~~Color Transpromo Printing in First-Class Mail Transactions Promotion (April June 1, 2015-2014 to December November 30, 2015-2014)~~
- ~~Premium Advertising Promotion (April 1, 2014 to June 30, 2014)~~
- ~~Mail and Digital Personalization Promotion (May 1, 2014 to June 30, 2014)~~

~~*Letters including a Repositionable Note*~~

~~Add \$0.000 for each presorted letter bearing a Repositionable Note.~~

*Full-service Intelligent Mail Option*

Subtract \$0.003 for each automation letter or automation postcard that complies with the requirements for the Full-service Intelligent Mail option.

*Picture Permit Imprint Indicia*

Add \$0.01 for each piece that includes Picture Permit Imprint Indicia.

~~*Branded Color Mobile Technology Promotion (February 1, 2014 to March 31, 2014)*~~

~~Provide a two percent discount on the qualifying postage for First-Class Mail presort or automation letters, postcards, and flats sent during the established program period, and which include print mobile technology (such as QR Code) with creative elements including color and graphics, inside or on the mailpiece. To receive the discount, mailers must comply with the eligibility requirements of the program.~~

~~*Advanced and Emerging Technology Promotion (June 1, 2015 to November 30, 2015)*~~

~~Provide a two percent discount on the qualifying postage for First-Class Mail and Standard Mail presort or automation letters, postcards, and flats that are sent during the established program period, and which include affixed or embedded technology that allows the recipient to engage in an experience facilitated via Near Field Communication, or other qualifying emerging technology leading to a mobile experience. To receive the discount, mailers must comply with the eligibility requirements of the program.~~

~~*Earned Value Reply Mail Promotion (April-May 1, 2014-2015 to June-July 31, 2014-2015)*~~

~~Provide a \$0.02 or \$0.03 per piece rebate on all Business Reply Mail and Courtesy Reply Mail pieces that meet program requirements and are returned to the registered customer during the program period. To receive the rebate, registered customers must have mailed out pieces that included a Business Reply Mail or Courtesy Reply Mail envelope, and comply with all other eligibility requirements of the program. To qualify for the \$0.03 per piece rebate, a mailer must have participated in the 2014~~3~~ Earned Value Promotion and increase their volume of qualifying Business Reply Mail/Courtesy Reply Mail pieces in 2015~~4~~.~~

## 1115 Flats

\* \* \* \* \*

### 1115.4 Optional Features

The following additional postal services may be available in conjunction with the product specified in this section:

- Ancillary Services (1505)
  - Address Correction Service (1505.1)
  - Business Reply Mail (1505.3)
  - Certified Mail (1505.5)
  - Certificate of Mailing (1505.6)
  - Collect on Delivery (1505.7)
  - Insurance (1505.9)
  - Registered Mail (1505.12)
  - Return Receipt (1505.13)
  - ~~Restricted Delivery (1505.15)~~
  - Special Handling (1505.18)
- Competitive Ancillary Services (2645)
  - Package Intercept Service (2645.2)
- ~~Repositionable Notes~~
- Full-service Intelligent Mail option: Automation Flats Only
- Picture Permit Imprint Indicia
- Advanced and Emerging Technology Promotion (June 1, 2015 to November 30, 2015)
- ~~Branded Color Mobile Technology Promotion (February 1, 2014 to March 31, 2014)~~
- ~~Mail and Digital Personalization Promotion (May 1, 2014 to June 30, 2014)~~

### 1115.5 Prices

#### *Automation Flats*

Maximum Weight (ounces)	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
1	0.470	0.662	0.702	0.782
2	0.688	0.880	0.920	1.00

- c. Qualifying pieces must contain a standard 12 cm or smaller optical disc.
- d. Pieces weighing no more than two (2) ounces qualify for the one (1) ounce price.
- e. Returned pieces must be picked up by the mailer at designated Postal Service facilities.
- f. Flat Round-Trip Mailers are not subject to prices for:
  - (i) the Nonmachinable Letters price category of Presorted Letters/Postcards, or
  - (ii) the Single-Piece Nonmachinable Letters price category of Single-Piece Letters/Postcards.

~~*Flats including a Repositionable Note*~~

~~Add \$0.000 for each piece bearing a Repositionable Note.~~

*Full-service Intelligent Mail Option*

Subtract \$0.003 for each automation flat that complies with the requirements for the Full-service Intelligent Mail option.

*Picture Permit Imprint Indicia*

Add \$0.01 for each piece that includes Picture Permit Imprint Indicia.

*Advanced and Emerging Technology Promotion (June 1, 2015 to November 30, 2015)*

Provide a two percent discount on the qualifying postage for First-Class Mail and Standard Mail presort or automation letters, postcards, and flats that are sent during the established program period, and which include affixed or embedded technology that allows the recipient to engage in an experience facilitated via Near Field Communication, or other qualifying emerging technology leading to a mobile experience. To receive the discount, mailers must comply with the eligibility requirements of the program.

**1200 Standard Mail (Commercial and Nonprofit)**

\* \* \* \* \*

**1205 High Density and Saturation Letters**

\* \* \* \* \*

**1205.5 Optional Features**

The following additional postal services may be available in conjunction with the product specified in this section:

\* \* \* \* \*

- Picture Permit Imprint Indicia
- ~~EDDM Coupon Program (March 1, 2014 to December 31, 2014)~~
- ~~High Density and Saturation Incentive Program (January 1, 2014 to December 31, 2014)~~
- ~~Branded Color Mobile Technology Promotion (February 1, 2014 to March 31, 2014)~~
- ~~Earned Value Reply Mail Promotion (April-May 1, 2015-2014 to July 31, 2015-June 30, 2014)~~
- ~~Mail and Digital Personalization Promotion (May 1, 2014 to June 30, 2014)~~
- ~~Advanced and Emerging Technology – Near Field Communication Promotion (June 1, 2015 August 1, 2014 to November 30, 2015 September 30, 2014)~~
- ~~Mail Drives Mobile Engagement Commerce Promotion (November July 1, 2015 2014 to December 31, 2015-2014)~~

**1205.6 Prices**

*Saturation Letters (3.53 ounces or less)*

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.202	0.125
DNDC	0.169	0.092
DSCF	0.157	0.080

*High Density Plus Letters (3.53 ounces or less)*

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.212	0.135
DNDC	0.179	0.102
DSCF	0.168	0.090

*High Density Letters (3.53 ounces or less)*

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.215	0.138
DNDC	0.182	0.105
DSCF	0.171	0.093

*Saturation, High Density Plus, and High Density Nonautomation Letters  
(3.3 ounces or less) Commercial*

Entry Point	Saturation (\$)	High Density Plus (\$)	High Density (\$)
None	0.214	0.240	0.245
DNDC	0.179	0.206	0.211
DSCF	0.169	0.196	0.201

*Saturation, High Density Plus, and High Density Nonautomation Letters  
(3.3 ounces or less) Nonprofit*

Entry Point	Saturation (\$)	High Density Plus (\$)	High Density (\$)
None	0.136	0.164	0.168
DNDC	0.102	0.130	0.134
DSCF	0.092	0.119	0.123

*Saturation, High Density Plus, and High Density Nonautomation Letters  
(more than 3.3 ounces) Commercial and Nonprofit*

Saturation, High Density Plus, and High Density letter-shaped pieces, and letter-shaped pieces without eligible barcodes or not meeting automation letter standards, that weigh more than 3.3 ounces must pay the prices shown in the applicable Standard Mail (Commercial and Nonprofit) Saturation, High Density Plus, and High Density Flats price tables (1210.6). These pieces cannot be entered at a DDU and must be prepared as letters.

a. Per Piece

	Saturation (\$)	High Density Plus (\$)	High Density (\$)
Automation	0.064	0.075	0.079
Nonautomation	0.076	0.083	0.107

b. Per Pound

Entry Point	Saturation (\$)	High Density Plus (\$)	High Density (\$)
None	0.612	0.612	0.612
DNDC	0.454	0.454	0.454
DSCF	0.403	0.403	0.403

*Saturation, High Density Plus, and High Density Letters (more than 3.3  
ounces) Nonprofit*

a. Per Piece



	<b>Saturation (\$)</b>	<b>High-Density Plus (\$)</b>	<b>High Density (\$)</b>
Automation	0.025	0.034	0.038
Nonautomation	0.035	0.042	0.066

**b. Per Pound**

<b>Entry Point</b>	<b>Saturation (\$)</b>	<b>High-Density Plus (\$)</b>	<b>High Density (\$)</b>
None	0.442	0.442	0.442
DNDG	0.284	0.284	0.284
DSCF	0.233	0.233	0.233

*Move Update Noncompliance Charge*

Add \$0.073 per piece in a mailing that does not comply with the Move Update standards.

*Move Update Assessment Charge*

Add \$0.073 per assessed piece, for mailings with less than 70 percent of mailpieces passing a Performance Based Verification at acceptance and which cannot demonstrate compliance with Move Update requirements.

*Forwarding-and-Return Service*

If Forwarding-and-Return Service is used in conjunction with electronic or automated Address Correction Service, forwarded letters pay **\$0.45365** per piece and returned letters pay the applicable First-Class Mail price. All other letters requesting Forwarding-and-Return Service that are returned are charged the appropriate First-Class Mail price for the piece plus the price multiplied by a factor of 2.472.

*Letters including a Repositionable Note*

Add ~~\$0.000~~ for each letter bearing a Repositionable Note.

*Full-service Intelligent Mail Option*

Provide a \$0.02 or \$0.03 per-piece rebate on all Business Reply Mail and Courtesy Reply Mail pieces that meet program requirements and are returned to the registered customer during the program period. To receive the rebate, registered customers must have mailed out pieces that included a Business Reply Mail or Courtesy Reply Mail envelope, and comply with all other eligibility requirements of the program. To qualify for the \$0.03 per piece rebate, a mailer must have participated in the 2014~~3~~ Earned Value Promotion and increase their volume of qualifying Business Reply Mail/Courtesy Reply Mail pieces in 2015~~4~~.

*~~Mail and Digital Personalization Promotion (May 1, 2014 to June 30, 2014)~~*

~~Provide a two percent discount on the qualifying postage for First-Class Mail presort and automation letters, cards, and flats and Standard Mail letters and flats sent during the established program period, and which include print mobile technology leading the recipient to a customized or personalized url, and webpage, creating a mobile experience that offers relevant messaging and content. The mailpiece itself must also be customized to the recipient. To receive the discount, mailers must comply with the eligibility requirements of the program.~~

*~~Advanced and Emerging Technology —Near Field Communication Promotion (~~June 1, 2015~~ August 1, 2014 to ~~November 30, 2015~~ September 30, 2014)~~*

Provide a two percent discount on the qualifying postage for First-Class Mail and Standard Mail presort or automation letters, postcards, and flats that are sent during the established program period, and which include affixed or embedded technology that allows the recipient to engage in an experience facilitated via Near Field Communication, or other qualifying emerging technology leading to a mobile experience. To receive the discount, mailers must comply with the eligibility requirements of the program.

*~~Mail Drives Mobile Engagement Commerce Promotion (~~November~~ July 1, 2015 ~~2014 to December 31, 2015~~ 2014)~~*

Provide a two percent discount on the qualifying postage for First-Class Mail and Standard Mail presort or automation letters, ~~postcards~~, and flats which include a mobile barcode inside or on the mailpiece that facilitates a mobile optimized shopping experience. To receive the discount, the qualifying mail must be sent during the established program period by mailers that comply with the eligibility requirements of the program. ~~Mailers may also qualify for an additional one percent postage rebate if a portion of their orders are fulfilled via Priority Mail with USPS Tracking during the established fulfillment period.~~

- Earned Value Reply Mail Promotion: Flats Only (~~April~~ May 1, 2015 2014 to July 31, 2015 ~~June 30, 2014~~)
- Mail and Digital Personalization Promotion (~~May 1, 2014 to June 30, 2014~~)
- Advanced and Emerging Technology — ~~Near Field Communication~~ Promotion: Flats Only (~~August~~ June 1, 2015 2014 to November 30, 2015 ~~September 30, 2014~~)
- Mail Drives Mobile Engagement ~~Commerce~~ Promotion: Flats Only (~~November~~ July 1, 2015 2014 to December 31, 2015 2014)

1210.6 Prices

*Saturation Flats (3.3 ounces or less)*

Entry Point	Commercial (\$)		Nonprofit (\$)	
	EDDM	Other	<u>EDDM</u>	<u>Other</u>
Origin	0.215	<u>0.214</u>	<u>0.137</u>	<u>0.136</u>
DNDC	0.180	<u>0.179</u>	<u>0.103</u>	<u>0.102</u>
DSCF	0.170	<u>0.169</u>	<u>0.093</u>	<u>0.092</u>
DDU	<u>0.160</u>	<u>0.159</u>	<u>0.083</u>	<u>0.082</u>

*Saturation Flats (greater than 3.3 ounces)*

Charges are computed by multiplying the number of pieces in the mailing by the applicable per-piece price, multiplying the number of pounds of the mailing by the applicable per-pound price, and adding both totals.

a. Per Piece

	Commercial (\$)		Nonprofit (\$)	
	<u>EDDM</u>	<u>Other</u>	<u>EDDM</u>	<u>Other</u>
Per Piece	0.082	0.081	0.042	0.041

b. Per Pound

Entry Point	Commercial (\$)		Nonprofit (\$)	
	<u>EDDM</u>	<u>Other</u>	<u>EDDM</u>	<u>Other</u>
Origin	0.641	0.641	0.464	0.464
DNDC	0.473	0.473	0.296	0.296
DSCF	0.423	0.423	0.246	0.246
DDU	0.378	0.378	0.201	0.201

*Saturation Parcels*

a. Per Piece

Mailing Volume Tier	Commercial		Nonprofit	
	Small (\$)	Large (\$)	Small (\$)	Large (\$)
0-200,000	0.297	0.343	0.223	0.258
200,001-400,000	0.286	0.331	0.215	0.249
400,001-600,000	0.274	0.320	0.206	0.240
600,001-800,000	0.263	0.309	0.197	0.232
800,000-1,000,000	0.251	0.297	0.189	0.223
Over 1,000,000	0.240	0.286	0.181	0.215

b. Handling Fees for DNDC/DSCF Entry

	Commercial (\$)	Nonprofit (\$)
Entry Point/ Presort	Pallet	Pallet
DNDC – 3-Digit	52.138	41.710
DNDC – 5-Digit	84.774	67.818
DSCF – 53-Digit	39.719	31.775
Pallet Presort	Carton/Sack	Carton/Sack
3-Digit	7.100	5.681

High Density Plus Flats (3.3 ounces or less)

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.240	0.164
DNDC	0.206	0.130
DSCF/DFSS	0.196	0.119
DFSS Facility	0.194	0.114
DFSS Scheme	0.187	0.108
DDU	0.186	0.110

High Density Plus Flats (greater than 3.3 ounces)

Charges are computed by multiplying the number of pieces in the mailing by the applicable per-piece price, multiplying the number of pounds of the mailing by the applicable per-pound price, and adding both totals.

a. Per Piece

	Commercial (\$)	Nonprofit (\$)
Per Piece DFSS	0.085	0.043
Per Piece –Other	0.088	0.048

b. Per Pound

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.641	0.464
DNDC	0.473	0.296
DSCF/DFSS	0.423	0.246
<del>DFSS Facility</del>	<del>0.406</del>	<del>0.236</del>
<del>DFSS Scheme</del>	<del>0.406</del>	<del>0.236</del>
DDU	0.378	0.201

*High Density Flats (3.3 ounces or less)*

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.245	0.168
DNDC	0.211	0.134
DSCF/DFSS	0.201	0.123
<del>DFSS Facility</del>	<del>0.199</del>	<del>0.119</del>
<del>DFSS Scheme</del>	<del>0.198</del>	<del>0.118</del>
DDU	0.191	0.114

*High Density Flats (greater than 3.3 ounces)*

Charges are computed by multiplying the number of pieces in the mailing by the applicable per-piece price, multiplying the number of pounds of the mailing by the applicable per-pound price, and adding both totals.

a. Per Piece

	Commercial (\$)	Nonprofit (\$)
<del>Per Piece—DFSS</del>	<del>0.110</del>	<del>0.068</del>
<del>Per Piece—Other</del>	0.113	0.073

b. Per Pound

Entry Point	Commercial (\$)	Nonprofit (\$)
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Origin	0.641	0.464
DNDC	0.473	0.296
DSCF/DFSS	0.423	0.246
<del>DFSS Facility</del>	<del>0.420</del>	<del>0.243</del>
<del>DFSS Scheme</del>	<del>0.420</del>	<del>0.236</del>
DDU	0.378	0.201

*Move Update Noncompliance Charge*

Add \$0.073 per piece in a mailing that does not comply with the Move Update standards.

*Move Update Assessment Charge*

Add \$0.073 per assessed piece, for mailings with less than 70 percent of mailpieces passing a Performance Based Verification at acceptance and which cannot demonstrate compliance with Move Update requirements.

*Flat-shaped pieces including a Detached Address Label*

Add \$0.0364 for each piece addressed using a Detached Address Label with no advertising, and \$0.0364 for each piece using a Detached Address Label containing advertising (Detached Marketing Label).

*Forwarding-and-Return Service*

If used in conjunction with electronic or automated Address Correction Service, forwarded flats pay \$1.40095 per piece and returned flats the applicable First-Class Mail price. All other pieces requesting Forwarding-and-Return Service that are returned are charged the appropriate First-Class Mail price for the piece plus the price multiplied by a factor of 2.472.

*~~Flats including a Repositionable Note~~*

~~Add \$0.000 for each flat bearing a Repositionable Note.~~

Provide a \$0.02 or \$0.03 per-piece rebate on all Business Reply Mail and Courtesy Reply Mail pieces that meet program requirements and are returned to the registered customer during the program period. To receive the rebate, registered customers must have mailed out pieces that included a Business Reply Mail or Courtesy Reply Mail envelope, and comply with all other eligibility requirements of the program. To qualify for the \$0.03 per piece rebate, a mailer must have participated in the 2014~~3~~ Earned Value Promotion and increase their volume of qualifying Business Reply Mail/Courtesy Reply Mail pieces in 2015~~4~~.

*~~Mail and Digital Personalization Promotion: Flats Only (May 1, 2014 to June 30, 2014)~~*

~~Provide a two percent discount on the qualifying postage for First-Class Mail presort and automation letters, cards, and flats and Standard Mail letters and flats sent during the established program period, and which include print mobile technology leading the recipient to a customized or personalized url, and webpage, creating a mobile experience that offers relevant messaging and content. The mailpiece itself must also be customized to the recipient. To receive the discount, mailers must comply with the eligibility requirements of the program.~~

*~~Advanced and Emerging Technology —Near Field Communication Promotion: Flats Only (June 1, 2015 August 1, 2014 to November 30, 2015 September 30, 2014)~~*

Provide a two percent discount on the qualifying postage for First-Class Mail and Standard Mail presort or automation letters, postcards, and flats that are sent during the established program period, and which include affixed or embedded technology that allows the recipient to engage in an experience facilitated via Near Field Communication, or other qualifying emerging technology leading to a mobile experience. To receive the discount, mailers must comply with the eligibility requirements of the program.

*~~Mail Drives Mobile Engagement Commerce Promotion: Flats Only (November July 1, 2015 2014 to December 31, 2015-2014)~~*

Provide a two percent discount on the qualifying postage for First-Class Mail and Standard Mail presort or automation letters, ~~postcards~~, and flats which include a mobile barcode inside or on the mailpiece that facilitates a mobile optimized shopping experience. To receive the discount, the qualifying mail must be sent during the established program period by mailers that comply with the eligibility requirements of the program. ~~Mailers may also qualify for an additional one percent postage rebate if a portion of their orders are fulfilled via Priority Mail with USPS Tracking during the established fulfillment period.~~



## 1215 Carrier Route

\* \* \* \* \*

### 1215.4 Price Categories

The following price categories are available for the product specified in this section:

- Letters  
DSCF, DNDC, and Origin entry levels  
Commercial and Nonprofit eligible
- Flats  
DDU, DSCF, ~~DFSS~~, DNDC, and Origin entry levels  
Commercial and Nonprofit eligible
- Parcels  
Volume Tiers, with Handling Fee for DNDC/DSCF entry levels  
Commercial and Nonprofit eligible
- Move Update Noncompliance Charge
- Move Update Assessment Charge

### 1215.5 Optional Features

The following additional postal services may be available in conjunction with the product specified in this section:

\* \* \* \* \*

- Picture Permit Imprint Indicia: Letters and Flats Only
- ~~Branded Color Mobile Technology Promotion: Letters and Flats Only (February 1, 2014 to March 31, 2014)~~
- Earned Value Reply Mail Promotion: Letters and Flats Only (~~April-May 1, 2015-2014 to July 31, 2015-June 30, 2014~~)
- ~~Mail and Digital Personalization Promotion: Letters and Flats Only (May 1, 2014 to June 30, 2014)~~
- ~~Advanced and Emerging Technology — Near Field Communication~~ Promotion: Letters and Flats Only (~~August-June 1, 2015-2014 to November 30, 2015-September 30, 2014~~)
- Mail Drives Mobile Engagement ~~Commerce~~ Promotion: Letters and Flats Only (~~November~~ July 1, 2015 ~~2014~~ to December 31, 2015-2014)

1215.6 Prices

*Carrier Route Letters (3.53 ounces or less)*

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.300	0.223
DNDC	0.267	0.190
DSCF	0.256	0.178

*Carrier Route Letters weighing greater than 3.3 ounces*

Automation-compatible barcoded carrier route letter-sized pieces that weigh more than 3.3 ounces but not more than 3.5 ounces pay the applicable flats Standard Mail (Commercial and Nonprofit) Carrier Route piece and pound price but receive a discount off the piece price equal to the minimum flats per-piece price minus the minimum letter per-piece price corresponding to the applicable entry point and density tier.

Nonautomation basic carrier route letters pay prices shown in 1215.6 Carrier Route Flats tables. These letters cannot be entered at DDUs and must be prepared as letters.

*Carrier Route Nonautomation Letters weighing greater than 3.35 ounces*

Carrier Route letter-shaped pieces, and letter-shaped pieces without eligible barcodes or not meeting automation letter standards, that weigh more than 3.3 ounces must pay the prices shown in the applicable Standard Mail (Commercial and Nonprofit) Carrier Route Flats price tables (1215.6). These pieces cannot be entered at a DDU and must be prepared as letters.

*Carrier Route Flats (3.3 ounces or less)*

Entry Point	Commercial (\$)		Nonprofit (\$)	
	<u>5-Digit Pallet</u>	<u>Other</u>	<u>5-Digit Pallet</u>	<u>Other</u>
Origin	0.295	0.300	0.218	0.223
DNDC	0.262	0.267	0.185	0.190
DSCF	0.251	0.256	0.173	0.178
DFSS Facility		0.251		0.171
DFSS Scheme		0.250		0.170
DDU	0.243	0.248	0.166	0.171

*Carrier Route Flats (greater than 3.3 ounces)*

Charges are computed by multiplying the number of pieces in the mailing by the applicable per-piece price, multiplying the number of pounds of the mailing by the applicable per-pound price, and adding both totals.

a. Per Piece

<u>Entry Point</u>	<b>Commercial (\$)</b>		<b>Nonprofit (\$)</b>	
	<u>5-Digit Pallets</u>	<u>Other</u>	<u>5-Digit Pallets</u>	<u>Other</u>
Per Piece – DFSS	0.143		0.104	
Per Piece – Other	0.144		0.102	
<u>Origin</u>	<u>0.145</u>	<u>0.150</u>	<u>0.105</u>	<u>0.110</u>
<u>DNDC</u>	<u>0.145</u>	<u>0.150</u>	<u>0.105</u>	<u>0.110</u>
<u>DSCF</u>	<u>0.145</u>	<u>0.150</u>	<u>0.105</u>	<u>0.110</u>
<u>DDU</u>	<u>0.145</u>	<u>0.150</u>	<u>0.105</u>	<u>0.110</u>

b. Per Pound

<b>Entry Point</b>	<b>Commercial (\$)</b>		<b>Nonprofit (\$)</b>	
	<u>5-Digit Pallets</u>	<u>Other</u>	<u>5-Digit Pallets</u>	<u>Other</u>
Origin	<u>0.732</u>	<u>0.732</u>	<u>0.554</u>	<u>0.554</u>
DNDC	<u>0.564</u>	<u>0.564</u>	<u>0.386</u>	<u>0.386</u>
DSCF	<u>0.514</u>	<u>0.514</u>	<u>0.336</u>	<u>0.336</u>
DFSS Facility	0.513		0.335	
DFSS Scheme	0.513		0.335	
DDU	<u>0.469</u>	<u>0.469</u>	<u>0.291</u>	<u>0.291</u>

*Carrier Route Parcels*

a. Per Piece

Mailing Volume Tier	Commercial		Nonprofit	
	Small (\$)	Large (\$)	Small (\$)	Large (\$)
0-200,000	0.411	0.457	0.309	0.343
200,001-400,000	0.400	0.446	0.300	0.335
400,001-600,000	0.389	0.434	0.292	0.326
600,001-800,000	0.377	0.423	0.284	0.318
800,000-1,000,000	0.366	0.411	0.274	0.309
Over 1,000,000	0.354	0.400	0.266	0.300

b. Handling Fees for DNDC/DSCF Entry

	Commercial (\$)	Nonprofit (\$)
Entry Point/ Presort	Pallet	Pallet
DNDC – 3-Digit	52.138	41.710
DNDC – 5-Digit	84.774	67.818
DSCF – 5-Digit	39.719	31.775
Pallet Presort	Carton/Sack	Carton/Sack
3-Digit	7.100	5.681

*Move Update Noncompliance Charge*

Add \$0.073 per piece in a mailing that does not comply with the Move Update standards.

*Move Update Assessment Charge*

Add \$0.073 per assessed piece, for mailings with less than 70 percent of mailpieces passing a Performance Based Verification at acceptance and which cannot demonstrate compliance with Move Update requirements.

*Forwarding-and-Return Service*

If used in conjunction with electronic or automated Address Correction Service, forwarded letters pay \$0.45~~365~~ per piece, forwarded flats pay \$1.40~~095~~ per piece and returned letters and flats pay the applicable First-Class Mail price. All other pieces requesting Forwarding-and-Return Service that are returned are charged the appropriate First-Class Mail price for the piece plus the price multiplied by a factor of 2.472.

~~*Letters and Flats including a Repositionable Note*~~

~~Add \$0.000 for each letter or flat bearing a Repositionable Note.~~

*Full-service Intelligent Mail Option: Letter and Flats Only*

Subtract \$0.001 for each carrier route letter or flat that complies with the requirements for the Full-service Intelligent Mail option.

*Picture Permit Imprint Indicia*

Add \$0.021 for each piece that includes Picture Permit Imprint Indicia.

~~*Branded Color Mobile Technology Promotion: Letters and Flats Only  
(February 1, 2014 to March 31, 2014)*~~

~~Provide a two percent discount on the qualifying postage for First-Class Mail and Standard Mail presort or automation letters, postcards, and flats sent during the established program period, and which include print mobile technology (such as a QR code) with creative elements including color graphics, inside or on the mailpiece. To receive the discount, mailers must comply with the eligibility requirements of the program.~~

~~*Earned Value Reply Mail Promotion: Letters and Flats Only (April-May 1, 2015-2014 to July 31, 2015-June 30, 2014)*~~

Provide a \$0.02 or \$0.03 per-piece rebate on all Business Reply Mail and Courtesy Reply Mail pieces that meet program requirements and are returned to the registered customer during the program period. To receive the rebate, registered customers must have mailed out pieces that included a Business Reply Mail or Courtesy Reply Mail envelope, and comply with all other eligibility requirements of the program. To qualify for the \$0.03 per piece rebate, a mailer must have participated in the 2014~~3~~ Earned Value Promotion and increase their volume of qualifying Business Reply Mail/Courtesy Reply Mail pieces in 2015~~4~~.

~~Mail and Digital Personalization Promotion: Letters and Flats Only (May 1, 2014 to June 30, 2014)~~

~~Provide a two percent discount on the qualifying postage for First-Class Mail presort and automation letters, cards, and flats and Standard Mail letters and flats sent during the established program period, and which include print mobile technology leading the recipient to a customized or personalized url, and webpage, creating a mobile experience that offers relevant messaging and content. The mailpiece itself must also be customized to the recipient. To receive the discount, mailers must comply with the eligibility requirements of the program.~~

~~Advanced and Emerging Technology —Near Field Communication Promotion: Letters and Flats Only (August June 1, 2015 2014 to September November 30, 2015 30, 2014)~~

Provide a two percent discount on the qualifying postage for First-Class Mail and Standard Mail presort or automation letters, postcards, and flats that are sent during the established program period, and which include affixed or embedded technology that allows the recipient to engage in an experience facilitated via Near Field Communication, or other qualifying emerging technology leading to a mobile experience. To receive the discount, mailers must comply with the eligibility requirements of the program.

~~Mail Drives Mobile Engagement Commerce Promotion: Letters and Flats Only (November July 1, 2015 2014 to December 31, 2015 2014)~~

Provide a two percent discount on the qualifying postage for First-Class Mail and Standard Mail presort or automation letters, ~~postcards~~, and flats which include a mobile barcode inside or on the mailpiece that facilitates a mobile optimized shopping experience. To receive the discount, the qualifying mail must be sent during the established program period by mailers that comply with the eligibility requirements of the program. ~~Mailers may also qualify for an additional one percent postage rebate if a portion of their orders are fulfilled via Priority Mail with USPS Tracking during the established fulfillment period.~~

## 1220 Letters

\* \* \* \* \*

### 1220.5 Optional Features

The following additional postal services may be available in conjunction with the product specified in this section:

\* \* \* \* \*

- Picture Permit Imprint Indicia
- ~~Branded Color Mobile Technology Promotion (February 1, 2014 to March 31, 2014)~~
- ~~Earned Value Reply Mail Promotion (April-May 1, 2015-2014 to July 31, 2015-June 30, 2014)~~
- ~~Mail and Digital Personalization Promotion (May 1, 2014 to June 30, 2014)~~
- ~~Advanced and Emerging Technology —Near Field Communication Promotion (August-June 1, 2015-2014 to November 30, 2015-September 30, 2014)~~
- ~~Mail Drives Mobile Engagement Commerce-Promotion (November July 1, 2015-2014 to December 31, 2015-2014)~~

### 1220.6 Prices

*Automation Letters (3.53 ounces or less)*

Entry Point	Commercial				Nonprofit			
	5-Digit (\$)	3-Digit (\$)	AADC (\$)	Mixed AADC (\$)	5-Digit (\$)	3-Digit (\$)	AADC (\$)	Mixed AADC (\$)
Origin	0.266	0.283	0.283	0.304	0.147	0.164	0.164	0.185
DNDC	0.230	0.247	0.247	0.268	0.111	0.128	0.128	0.149
DSCF	0.221	0.238	0.238	n/a	0.102	0.119	0.119	n/a

*Machinable Letters (3.3 ounces or less)*

Entry Point	Commercial		Nonprofit	
	AADC (\$)	Mixed AADC (\$)	AADC (\$)	Mixed AADC (\$)
Origin	0.300	0.317	0.181	0.198
DNDC	0.264	0.281	0.145	0.162
DSCF	0.254	n/a	0.135	n/a

*Nonmachinable Letters (3.3 ounces or less)*

Entry Point	Commercial				Nonprofit			
	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin	0.491	0.580	0.606	0.675	0.372	0.461	0.487	0.556
DNDC	0.455	0.544	0.570	0.639	0.336	0.425	0.451	0.520
DSCF	0.446	0.535	0.561	n/a	0.326	0.415	0.441	n/a

~~*Pieces weighing more than 3.3 ounces but not more than 3.5 ounces*~~

~~Automation letter-shaped pieces that weigh more than 3.3 ounces but not more than 3.5 ounces pay the applicable flats piece and pound price but receive a discount off the piece price equal to the minimum flats per piece price minus the minimum letter per piece price corresponding to the applicable entry point and density tier.~~

*Nonautomation Pieces weighing greater than 3.3 ounces*

Letters pieces without eligible barcodes or not meeting automation letter standards, that weigh more than 3.3 ounces must pay the prices shown in the applicable Standard Mail (Commercial and Nonprofit) Flats price tables (1225.6). These pieces cannot be entered at a DDU and must be prepared as letters.

~~Charges are computed by multiplying the number of pieces in the mailing by the applicable per piece price, multiplying the number of pounds of the mailing by the applicable per pound price, and adding both totals.~~



a. ~~Per Piece~~

Entry Point	Commercial				Nonprofit			
	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Per Piece	0.265	0.333	0.387	0.438	0.140	0.208	0.262	0.313

b. ~~Per Pound~~

Entry Point	Commercial (\$)	Nonprofit (\$)
Origin	0.782	0.676
DNDG	0.616	0.510
DSCF	0.566	0.460

Move Update Noncompliance Charge

Add \$0.073 per piece in a mailing that does not comply with the Move Update standards.

*Move Update Assessment Charge*

Add \$0.073 per assessed piece, for mailings with less than 70 percent of mailpieces passing a Performance Based Verification at acceptance and which cannot demonstrate compliance with Move Update requirements.

*Forwarding-and-Return Service*

If Forwarding-and-Return Service is used in conjunction with electronic or automated Address Correction Service, forwarded letters pay ~~\$0.45~~365 per piece and returned letters pay the applicable First-Class Mail price. All other letters requesting Forwarding-and-Return Service that are returned are charged the appropriate First-Class Mail price for the piece plus the price multiplied by a factor of 2.472.

~~Letters including a Repositionable Note~~

~~Add \$0.000 for each letter bearing a Repositionable Note.~~

*Full-service Intelligent Mail Option: Automation Letters Only*

Subtract \$0.001 for each automation letter that complies with the requirements for the Full-service Intelligent Mail option.

*Picture Permit Imprint Indicia*

Add \$0.021 for each piece that includes Picture Permit Imprint Indicia.

~~*Branded Color Mobile Technology Promotion (February 1, 2014 to March 31, 2014)*~~

~~Provide a two percent discount on the qualifying postage for First-Class Mail and Standard Mail presort or automation letters, postcards, and flats sent during the established program period, and which include print mobile technology (such as a QR code) with creative elements including color graphics, inside or on the mailpiece. To receive the discount, mailers must comply with the eligibility requirements of the program.~~

~~*Earned Value Reply Mail Promotion (April-May 1, 2015-2014 to July 31, 2015-June 30, 2014)*~~

Provide a \$0.02 or \$0.03 per-piece rebate on all Business Reply Mail and Courtesy Reply Mail pieces that meet program requirements and are returned to the registered customer during the program period. To receive the rebate, registered customers must have mailed out pieces that included a Business Reply Mail or Courtesy Reply Mail envelope, and comply with all other eligibility requirements of the program. To qualify for the \$0.03 per piece rebate, a mailer must have participated in the 2014~~3~~ Earned Value Promotion and increase their volume of qualifying Business Reply Mail/Courtesy Reply Mail pieces in 2015~~4~~.

~~*Mail and Digital Personalization Promotion (May 1, 2014 to June 30, 2014)*~~

~~Provide a two percent discount on the qualifying postage for First-Class Mail presort and automation letters, cards, and flats and Standard Mail letters and flats sent during the established program period, and which include print mobile technology leading the recipient to a customized or personalized url, and webpage, creating a mobile experience that offers relevant messaging and content. The mailpiece itself must also be customized to the recipient. To receive the discount, mailers must comply with the eligibility requirements of the program.~~

~~*Advanced and Emerging Technology—Near Field Communication Promotion (June 1, 2015 August 1, 2014 to November 30, 2015 September 30, 2014)*~~

- Move Update Noncompliance Charge
- Move Update Assessment Charge

## 1225.5 Optional Features

The following additional postal services may be available in conjunction with the product specified in this section:

\* \* \* \* \*

- Picture Permit Imprint Indicia
- ~~Branded Color Mobile Technology Promotion (February 1, 2014 to March 31, 2014)~~
- Earned Value Reply Mail Promotion (~~April~~ May 1, 2015-2014 to July 31, 2015 ~~June 30, 2014~~)
- ~~Mail and Digital Personalization Promotion (May 1, 2014 to June 30, 2014)~~
- ~~Advanced and Emerging Technology – Near Field Communication Promotion (August~~ June 1, 2015-2014 to November 30, 2015 ~~September 30, 2014)~~
- ~~Mail Drives Mobile Engagement Commerce Promotion (November~~ July 1, 2015 ~~2014~~ to December 31, 2015-2014)

## 1225.6 Prices

*Automation Flats (3.3 ounces or less)*

Commercial						
Entry Point	DFSS Scheme Pallet/Container (\$)	DFSS Non-Scheme Pallet/Container Facility (\$)	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin	0.313	0.346	0.392	0.479	0.536	0.569
DNDC	0.279	0.311	0.358	0.445	0.502	0.535
DSCF	0.269	0.300	0.348	0.435	0.492	n/a
DFSS	0.264	n/a0.295	n/a	n/a	n/a	n/a
Nonprofit						

Entry Point	DFSS Scheme Pallet/Container (\$)	DFSS Non-Scheme Pallet/Container Facility (\$)	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin	0.171	0.203	0.249	0.336	0.393	0.426
DNDC	0.138	0.169	0.215	0.302	0.359	0.392
DSCF	0.126	0.158	0.205	0.292	0.349	n/a
DFSS	0.121	n/a 0.153	n/a	n/a	n/a	n/a

*Automation Flats (greater than 3.3 ounces)*

Charges are computed by multiplying the number of pieces in the mailing by the applicable per-piece price, multiplying the number of pounds of the mailing by the applicable per-pound price, and adding both totals.

a. Per Piece

Commercial						
Entry Point	DFSS Scheme Pallet/Container (\$)	DFSS Non-Scheme Pallet/Container Facility (\$)	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Per Piece—DFSS	0.225	n/a	n/a	n/a	n/a	n/a
Per Piece—Other	n/a					
Origin	0.149	0.184	0.231	0.318	0.375	0.408
DNDC	0.150	0.184	0.231	0.318	0.375	0.408
DSCF	0.149	0.181	0.231	0.318	0.375	n/a
DFSS	0.144	0.176	n/a	n/a	n/a	n/a

Nonprofit						
<u>Entry Point</u>	<u>DFSS Scheme Pallet/Container (\$)</u>	<u>DFSS Non-Scheme Pallet/Container Facility (\$)</u>	<u>5-Digit (\$)</u>	<u>3-Digit (\$)</u>	<u>ADC (\$)</u>	<u>Mixed ADC (\$)</u>
Per Piece—DFSS		n/a	n/a	n/a	n/a	n/a
Per Piece—Other	n/a					
Origin	0.030	0.064	0.110	0.197	0.254	0.287
DNDC	0.032	0.064	0.110	0.197	0.254	0.287
DSCF	0.031	0.063	0.110	0.197	0.254	n/a
DFSS	0.026	0.058	n/a	n/a	n/a	n/a

b. Per Pound

Commercial						
<u>Entry Point</u>	<u>DFSS Scheme Pallet/Container (\$)</u>	<u>DFSS Non-Scheme Pallet/Container Facility (\$)</u>	<u>5-Digit (\$)</u>	<u>3-Digit (\$)</u>	<u>ADC (\$)</u>	<u>Mixed ADC (\$)</u>
Origin	0.794	0.790	0.789	0.789	0.789	0.789
DNDC	0.626	0.624	0.623	0.623	0.623	0.623
DSCF	0.576	0.575	0.573	0.573	0.573	n/a
DFSS	0.576	n/a0.575	n/a	n/a	n/a	n/a

Nonprofit						
Entry Point	DFSS Scheme Pallet/Container (\$)	DFSS Non-Scheme Pallet/Container Facility (\$)	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin	0.683	0.683	0.683	0.683	0.683	0.683
DNDC	0.516	0.517	0.517	0.517	0.517	0.517
DSCF	0.466	0.466	0.467	0.467	0.467	n/a
DFSS	0.466	n/a0.466	n/a	n/a	n/a	n/a

Nonautomation Flats (3.3 ounces or less)

Commercial						
Entry Point	DFSS Scheme Pallet/Container (\$)	DFSS Non-Scheme Pallet/Container Facility (\$)	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin	0.423	0.427	0.444	0.507	0.562	0.610
DNDC	0.388	0.391	0.410	0.473	0.528	0.576
DSCF	0.376	0.381	0.399	0.462	0.517	n/a
DFSS	0.374	n/a0.376	n/a	n/a	n/a	n/a

Nonprofit						
Entry Point	DFSS Scheme Pallet/Container (\$)	DFSS Non-Scheme Pallet/Container Facility (\$)	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin	0.279	0.282	0.299	0.362	0.417	0.465
DNDC	0.243	0.248	0.265	0.328	0.383	0.431
DSCF	0.234	0.238	0.255	0.318	0.373	n/a
DFSS	0.230	n/a0.233	n/a	n/a	n/a	n/a

*Nonautomation Flats (greater than 3.3 ounces)*

Charges are computed by multiplying the number of pieces in the mailing by the applicable per-piece price, multiplying the number of pounds of the mailing by the applicable per-pound price, and adding both totals.

a. Per Piece

Commercial						
<u>Entry Point</u>	<u>DFSS Scheme Pallet/Container (\$)</u>	<u>DFSS Non-Scheme Pallet/Container Facility (\$)</u>	<u>5-Digit (\$)</u>	<u>3-Digit (\$)</u>	<u>ADC (\$)</u>	<u>Mixed ADC (\$)</u>
Per Piece—DFSS		n/a	n/a	n/a	n/a	n/a
Per Piece—Other	n/a					
<u>Origin</u>	<u>0.257</u>	<u>0.261</u>	<u>0.279</u>	<u>0.342</u>	<u>0.397</u>	<u>0.445</u>
<u>DNDC</u>	<u>0.257</u>	<u>0.260</u>	<u>0.279</u>	<u>0.342</u>	<u>0.397</u>	<u>0.445</u>
<u>DSCF</u>	<u>0.256</u>	<u>0.261</u>	<u>0.279</u>	<u>0.342</u>	<u>0.397</u>	<u>n/a</u>
<u>DFSS</u>	<u>0.254</u>	<u>0.256</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>
Nonprofit						
<u>Entry Point</u>	<u>DFSS Scheme Pallet/Container (\$)</u>	<u>DFSS Non-Scheme Pallet/Container Facility (\$)</u>	<u>5-Digit (\$)</u>	<u>3-Digit (\$)</u>	<u>ADC (\$)</u>	<u>Mixed ADC (\$)</u>
Per Piece—DFSS		n/a	n/a	n/a	n/a	n/a
Per Piece—Other	n/a					
<u>Origin</u>	<u>0.140</u>	<u>0.143</u>	<u>0.160</u>	<u>0.223</u>	<u>0.278</u>	<u>0.326</u>
<u>DNDC</u>	<u>0.138</u>	<u>0.143</u>	<u>0.160</u>	<u>0.223</u>	<u>0.278</u>	<u>0.326</u>
<u>DSCF</u>	<u>0.139</u>	<u>0.143</u>	<u>0.160</u>	<u>0.223</u>	<u>0.278</u>	<u>n/a</u>
<u>DFSS</u>	<u>0.135</u>	<u>0.138</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>

b. Per Pound

Commercial						
Entry Point	DFSS Scheme Pallet/Container (\$)	DFSS Non-Scheme Pallet/Container Facility (\$)	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin	0.789	0.789	0.789	0.789	0.789	0.789
DNDC	0.623	0.623	0.623	0.623	0.623	0.623
DSCF	0.573	0.573	0.573	0.573	0.573	n/a
DFSS	0.574	n/a 0.573	n/a	n/a	n/a	n/a

  

Nonprofit						
Entry Point	DFSS Scheme Pallet/Container (\$)	DFSS Non-Scheme Pallet/Container Facility (\$)	5-Digit (\$)	3-Digit (\$)	ADC (\$)	Mixed ADC (\$)
Origin	0.683	0.683	0.683	0.683	0.683	0.683
DNDC	0.517	0.517	0.517	0.517	0.517	0.517
DSCF	0.467	0.467	0.467	0.467	0.467	n/a
DFSS	0.468	n/a 0.467	n/a	n/a	n/a	n/a

Customized MarketMail Prices

	Commercial (\$)	Nonprofit (\$)
Per Piece	0.459	0.339

Move Update Noncompliance Charge

Add \$0.073 per piece in a mailing that does not comply with the Move Update standards.

Move Update Assessment Charge

Add \$0.073 per assessed piece, for mailings with less than 70 percent of mailpieces passing a Performance Based Verification at acceptance and which cannot demonstrate compliance with Move Update requirements.



*Forwarding-and-Return Service*

If Forwarding-and-Return Service is used in conjunction with electronic or automated Address Correction Service, forwarded flats pay **\$1.40**<sup>095</sup> per piece and returned flats pay the applicable First-Class Mail price. All other flats requesting Forwarding-and-Return Service that are returned are charged the appropriate First-Class Mail price for the piece plus the price multiplied by a factor of 2.472.

~~*Flats including a Repositionable Note*~~

~~Add \$0.000 for each flat bearing a Repositionable Note.~~

*Full-service Intelligent Mail Option: Automation Flats Only*

Subtract \$0.001 for each automation flat that complies with the requirements for the Full-service Intelligent Mail option.

*Picture Permit Imprint Indicia*

Add \$0.021 for each piece that includes Picture Permit Imprint Indicia.

~~*Branded Color Mobile Technology Promotion (February 1, 2014 to March 31, 2014)*~~

~~Provide a two percent discount on the qualifying postage for First-Class Mail and Standard Mail presort or automation letters, postcards, and flats sent during the established program period, and which include print mobile technology (such as a QR code) with creative elements including color graphics, inside or on the mailpiece. To receive the discount, mailers must comply with the eligibility requirements of the program.~~

~~*Earned Value Reply Mail Promotion (April-May 1, 2015-2014 to July 31, 2015-June 30, 2014)*~~

Provide a \$0.02 or \$0.03 per-piece rebate on all Business Reply Mail and Courtesy Reply Mail pieces that meet program requirements and are returned to the registered customer during the program period. To receive the rebate, registered customers must have mailed out pieces that included a Business Reply Mail or Courtesy Reply Mail envelope, and comply with all other eligibility requirements of the program. To qualify for the \$0.03 per piece rebate, a mailer must have participated in the 2014<sup>3</sup> Earned Value Promotion and increase their volume of qualifying Business Reply Mail/Courtesy Reply Mail pieces in 2015<sup>4</sup>.

~~Mail and Digital Personalization Promotion (May 1, 2014 to June 30, 2014)~~

~~Provide a two percent discount on the qualifying postage for First-Class Mail presort and automation letters, cards, and flats and Standard Mail letters and flats sent during the established program period, and which include print mobile technology leading the recipient to a customized or personalized url, and webpage, creating a mobile experience that offers relevant messaging and content. The mailpiece itself must also be customized to the recipient. To receive the discount, mailers must comply with the eligibility requirements of the program.~~

~~Advanced and Emerging Technology – Near Field Communication Promotion (June 1, 2015 ~~August 1, 2014 to November 30, 2015~~ September 30, 2014)~~

Provide a two percent discount on the qualifying postage for First-Class Mail and Standard Mail presort or automation letters, postcards, and flats that are sent during the established program period, and which include affixed or embedded technology that allows the recipient to engage in an experience facilitated via Near Field Communication, or other qualifying emerging technology leading to a mobile experience. To receive the discount, mailers must comply with the eligibility requirements of the program.

~~Mail Drives Mobile Engagement Commerce Promotion (~~November~~ July 1, 2015 ~~2014 to December 31, 2015~~ 2014)~~

Provide a two percent discount on the qualifying postage for First-Class Mail and Standard Mail presort or automation letters, ~~postcards~~, and flats which include a mobile barcode inside or on the mailpiece that facilitates a mobile optimized shopping experience. To receive the discount, the qualifying mail must be sent during the established program period by mailers that comply with the eligibility requirements of the program. ~~Mailers may also qualify for an additional one percent postage rebate if a portion of their orders are fulfilled via Priority Mail with USPS Tracking during the established fulfillment period.~~

## 1230 Parcels

\* \* \* \* \*

### 1230.5 Optional Features

The following additional postal services may be available in conjunction with the product specified in this section:

- Forwarding-and-Return Services
- Ancillary Services (1505)
  - Address Correction Service (1505.1)
  - Bulk Parcel Return Service (1505.4)
  - Certificate of Mailing (1505.6)
  - USPS Tracking (1505.8)
  - Bulk Insurance (1505.9)
  - Return Receipt (1505.13)
  - ~~Restricted Delivery (1505.15)~~
  - Shipper-Paid Forwarding: parcels only (1505.16)

### 1230.6 Prices

*Marketing Parcels (3.3 ounces or less)*

Entry Point	Commercial				Nonprofit			
	5-Digit	SCF	NDC	Mixed NDC	5-Digit	SCF	NDC	Mixed NDC
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Origin	n/a	n/a	1.258	1.650	n/a	n/a	1.172	1.564
DNDC	0.746	0.878	1.205	n/a	0.661	0.793	1.120	n/a
DSCF	0.690	0.822	n/a	n/a	0.605	0.737	n/a	n/a
DDU	0.648	n/a	n/a	n/a	0.562	n/a	n/a	n/a

*Marketing Parcels (greater than 3.3 ounces)*

Charges are computed by multiplying the number of pieces in the mailing by the applicable per-piece price, multiplying the number of pounds of the mailing by the applicable per-pound price, and adding both totals.

a. Per Piece

	Commercial				Nonprofit			
	5-Digit	SCF	NDC	Mixed NDC	5-Digit	SCF	NDC	Mixed NDC
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Per Piece	0.557	0.689	1.016	1.408	0.490	0.622	0.949	1.341

b. Per Pound

Entry Point	Commercial				Nonprofit			
	5-Digit	SCF	NDC	Mixed NDC	5-Digit	SCF	NDC	Mixed NDC
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Origin	n/a	n/a	1.170	1.170	n/a	n/a	1.081	1.081
DNDC	0.917	0.917	0.917	n/a	0.828	0.828	0.828	n/a
DSCF	0.645	0.645	n/a	n/a	0.556	0.556	n/a	n/a
DDU	0.442	n/a	n/a	n/a	0.353	n/a	n/a	n/a

*Nonprofit Machinable Parcels Prices (3.5 ounces or more)*

Charges are computed by multiplying the number of pieces in the mailing by the applicable per-piece price, multiplying the number of pounds of the mailing by the applicable per-pound price, and adding both totals.

a. Per Piece

	<b>5-Digit (\$)</b>	<b>NDC (\$)</b>	<b>Mixed NDC (\$)</b>
Per Piece	0.627	0.922	1.333

b. Per Pound

<b>Entry Point</b>	<b>5-Digit (\$)</b>	<b>NDC (\$)</b>	<b>Mixed NDC (\$)</b>
Origin	n/a	1.081	1.081
DNDC	0.828	0.828	n/a
DSCF	0.556	n/a	n/a
DDU	0.353	n/a	n/a

*Nonprofit Irregular Parcels (3.3 ounces or less)*

<b>Entry Point</b>	<b>5-Digit (\$)</b>	<b>SCF (\$)</b>	<b>NDC (\$)</b>	<b>Mixed NDC (\$)</b>
Origin	n/a	n/a	1.347	1.670
DNDC	0.798	0.914	1.295	n/a
DSCF	0.742	0.857	n/a	n/a
DDU	0.700	n/a	n/a	n/a

*Nonprofit Irregular Parcels (greater than 3.3 ounces)*

Charges are computed by multiplying the number of pieces in the mailing by the applicable per piece price, multiplying the number of pounds of the mailing by the applicable per pound price, and adding both totals.

a. Per Piece

Entry Point	5-Digit (\$)	SCF (\$)	NDC (\$)	Mixed NDC (\$)
Per Piece	0.627	0.742	1.123	1.447

b. Per Pound

Entry Point	5-Digit (\$)	SCF (\$)	NDC (\$)	Mixed NDC (\$)
Origin	n/a	n/a	1.081	1.081
DNDC	0.828	0.828	0.828	n/a
DSCF	0.556	0.556	n/a	n/a
DDU	0.353	n/a	n/a	n/a

*Move Update Noncompliance Charge*

Add \$0.0733 per piece in a mailing that does not comply with the Move Update standards.

*Move Update Assessment Charge*

Add \$0.0733 per assessed piece, for mailings with less than 70 percent of mailpieces passing a Performance Based Verification at acceptance and which cannot demonstrate compliance with Move Update requirements.

*Forwarding-and-Return Service*

Pieces requesting Forwarding-and-Return Service that are returned are charged the appropriate First-Class Mail price or Priority Mail price for the piece plus the price multiplied by a factor of 2.472.

*Non-barcoded Parcels Surcharge*

For non-barcoded parcels, add \$0.0647 per piece. The surcharge does not apply to pieces sorted to 5-Digit ZIP Codes.

**1300 Periodicals**

\* \* \* \* \*

**1305 In-County Periodicals**

\* \* \* \* \*

**1305.6 Prices**

*In-County Automation*

Charges are computed by multiplying the number of pieces in the mailing by the applicable per-piece price, multiplying the number of pounds of the mailing by the applicable per-pound price, and adding both totals.

a. Pound Prices (per pound or fraction thereof)

Entry Point	Price (\$)
DDU	0.160
Non-DDU	0.209

b. Piece Prices (per addressed piece)

Presort Level	Letters (\$)	Flats (\$)
5-Digit	0.053	0.113
3-Digit	0.055	0.121
Basic	0.067	0.129

*In-County Nonautomation*

Charges are computed by multiplying the number of pieces in the mailing by the applicable per-piece price, multiplying the number of pounds of the mailing by the applicable per-pound price, and adding both totals.

a. Pound Prices (per pound or fraction thereof)

Entry Point	Price (\$)
DDU	0.160
Non-DDU	0.209

b. Piece Prices (per addressed piece)

<b>Presort Level</b>	<b>Letters, Flats, and Parcels (\$)</b>
Carrier Route Saturation	0.035
Carrier Route High Density	0.050
Carrier Route Basic	0.068
5-Digit	0.119
3-Digit	0.133
Basic	0.146

*Worksharing Discount for DDU*

Each DDU entered piece receives a discount of \$0.008.

~~*In-County Periodicals including a Repositionable Note*~~

~~Add \$0.000 for each piece bearing a Repositionable Note.~~

*In-County Periodicals including a Ride-Along piece*

Add \$0.~~182479~~ for a Ride-Along item enclosed with or attached to an In-County Periodical.

*Full-service Intelligent Mail Option*

Subtract \$0.001 for each automation or Carrier Route letter or flat that complies with the requirements for the Full-service Intelligent Mail option.



- FSS Scheme  
DSCF, DFSS, DADC, DNDC, Origin entry levels
  - FSS Facility  
DSCF, DFSS, DADC, DNDC, Origin entry levels
  - 3-Digit/SCF  
DSCF, DADC, DNDC, Origin entry levels
  - ADC  
DADC, DNDC, Origin entry levels
  - Mixed ADC  
Origin entry level
- b. Sack and Tray Container Price
- Carrier Route/5-Digit  
DDU, DSCF, DADC, DNDC, Origin entry levels
  - FSS Scheme  
DSCF, DFSS, DADC, DNDC, Origin entry levels
  - FSS Facility  
DSCF, DFSS, DADC, DNDC, Origin entry levels
  - 3-Digit/SCF  
DSCF, DADC, DNDC, Origin entry levels
  - ADC  
DADC, DNDC, Origin entry levels
  - Mixed ADC  
Origin entry level

\* \* \* \* \*

1310.6 Prices

\* \* \* \* \*

*Pound Prices (per pound or fraction thereof)*

Entry Level or Zone	Regular		Science of Agriculture	
	Advertising (\$)	Editorial (\$)	Advertising (\$)	Editorial (\$)
DDU	0.126	0.093	0.095	0.093
DSCF	0.185	0.140	0.138	0.140

DFSS	0.185	0.140	0.138	0.140
DADC	0.198	0.149	0.148	0.149
Zones 1 & 2	0.223	0.166	0.168	0.166
Zone 3	0.242	0.166	0.242	0.166
Zone 4	0.306	0.166	0.306	0.166
Zone 5	0.383	0.166	0.383	0.166
Zone 6	0.468	0.166	0.468	0.166
Zone 7	0.567	0.166	0.567	0.166
Zone 8	0.656	0.166	0.656	0.166
Zone 9	0.656	0.166	0.656	0.166

*Piece Price (per addressed piece)*

a. Carrier Route Letters, Flats, and Parcels

Bundle Level	Letters, Flats, and Parcels (\$)
Saturation	0.150
High Density	0.177
Basic	0.210

b. Barcoded Letters

Bundle Level	Barcoded Letters (\$)
5-Digit	0.229
3-Digit/SCF	0.297
ADC	0.317
Mixed ADC	0.353

c. Machinable Flats and Nonbarcoded Letters

Bundle Level	Barcoded Flats (\$)	Nonbarcoded Flats (\$)	Nonbarcoded Letters (\$)
<u>FSS</u>	<u>0.239</u>	<u>0.375</u>	
5-Digit	0.313	0.326	0.326
3-Digit/SCF	0.404	0.431	0.431
ADC	0.422	0.451	0.451
Mixed ADC	0.454	0.490	0.490

d. Nonmachinable Flats and Parcels

Bundle Level	Barcoded Flats (\$)	Nonbarcoded Flats (\$)	Parcels (\$)
5-Digit	0.341	0.341	0.341
3-Digit/SCF	0.484	0.497	0.497
ADC	0.573	0.604	0.604
Mixed ADC	0.680	0.682	0.682

e. Editorial Adjustment

A per-piece editorial adjustment is provided by subtracting **\$0.00113** for each 1 percent of editorial (nonadvertising) content from the applicable piece price.

f. Firm Bundle Piece Price

Firm bundles are charged a single-piece price of \$0.202~~1.99~~.

## **ATTACHMENT B**

### **(WORKSHARE DISCOUNT TABLES)**

Please see (*AttachmentB-RemandGxls*), filed concurrently with this pleading. Changes resulting from the new prices submitted today are highlighted in yellow.

## **ATTACHMENT C (Parts I and II)**

### **(ADJUSTED EXIGENT SURCHARGES FOR NEW RATE CELLS)**

Please see *Attachment C Part I.xlsx* and *Attachment C Part II.xlsx*, filed concurrently with this pleading. Part I was originally submitted as Attachment E to the Postal Service's Notice of Market-Dominant Price Adjustment, filed on January 15, 2015. Changes reflecting today's filing are highlighted in yellow. Part II adopts the Commission's format to show the derivation of all the blended Exigent surcharges.